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Bush Decides To Extend Trade Status For Beijing

He Weighs 'Lesser Evil' Against China's Record On Political Rights

By Andrew Rosenthal
New York Times Service

NEW HAVEN, Connecticut — Declaring that he was "trying to chart a moral course through a world of lesser evils," President George Bush announced Monday that he would continue Beijing's trading privileges for another year. But he sought to mitigate the political impact of his decision by imposing new restrictions on technology exports.

"It comes down to the strength of our belief in the power of the democratic idea," Mr. Bush said in a speech to the graduating class at his alma mater, Yale University. The statement embodied his most detailed explanation to date of a China policy that has put him in regular conflict with Congress.

Many lawmakers have called for China's most-favored-nation trade status to be revoked to punish Beijing for its crackdown on political activity in 1989.

But Mr. Bush said his policy toward China was intended to promote the spread of democracy by remaining economically and politically engaged with the Chinese leadership, although he acknowledged that he still has strong concerns about China's human rights record and that he was following a path with "enormous potential for error and embarrassment."

"We want to promote positive change in the world through the force of our example, not simply profess our purity," he said. "We want to advance the cause of freedom, not just snub nations that aren't yet wholly free."

Students and guests protesting Mr. Bush's policies on civil rights, abortion and other issues were thickly scattered throughout the audience, periodically heckling him.

His announcement on trade with China drew hisses and a few boos as well as some applause.

Mr. Bush said he would inform Congress this week that China's status, which guarantees the best available tariff rates, are to be continued for another year. The move had been expected.

Mr. Bush's action will take immediate effect unless both houses of Congress pass measures to reverse it or attach conditions. There are already at least five measures pending that would do so.

Mr. Bush attempted to present his China policy as a measured mixture of engagement and sanctions.

Trying to draw a historic line between his policy and past U.S. actions like the defiance of the Berlin Blockade and the institution of the Marshall Plan, Mr. Bush said, "This nation's foreign policy has always been more than simply an expression of American interests."

"It is an extension of American ideals," he

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Apichart Weerawong/Reuters

A rescue worker in a jungle area of northwestern Thailand sifting through wreckage of the Lauda Air Boeing 767 on Monday.

Jet Crash Investigators Seek Bomb Clues

By Barry James
International Herald Tribune

Accident investigators in Thailand sought evidence Monday to determine whether an Austrian airliner was ripped apart by a bomb shortly after leaving Bangkok's international airport.

Reports by witnesses and the broad dispersal of the plane's wreckage lent credence to a conclusion that an explosive device brought down the aircraft with all its passengers and crew members.

Western airline officials in Bangkok said it had long been known that a disgruntled former employee of Lauda Air had repeatedly threatened to bomb the airline's offices and aircraft, the Los Angeles Times reported from Bangkok. The employee, whose name was not released, was reportedly being sought by police.

"For an ex-airline official, it wouldn't be that hard to get a bomb on board," said one official. "It was the first thing that occurred to everyone."

Security officers noted that Lauda Air conducted no baggage screening in Bangkok, apparently secure in the belief that Middle East terrorism would not touch the airline. Baggage for all airlines is thoroughly X-rayed as a matter of routine before loading in Hong Kong.

A caller to Vienna's airport, home base for the Lauda Air Boeing 767 that crashed late Sunday with the loss of 223 lives, suggested that a bomb intended for an American plane might have been mistakenly planted aboard the Austrian jet.

Police in Vienna said the evidence for that theory was slim, although the Lauda Air plane and a United Airlines jet were scheduled to leave Hong Kong within minutes of each other on Sunday.

Western intelligence officials said Bangkok, where the Lauda Air Boeing 767 stopped over on its way to Vienna, was one of the airports at risk from international terrorism during the Gulf crisis.

Debris and bodies from the plane rained down over several square kilometers in the area about 160 kilometers northwest of Bang-

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Ethiopian Regime, Facing a Defeat, Orders Its Troops To Hold Their Fire

By Clifford Krauss
New York Times Service

ADDIS ABABA, Ethiopia — The Ethiopian government effectively surrendered Monday by calling on its troops to hold their fire on rebel units who were expected to move into the capital with tanks Tuesday morning.

Arrangements for a cease-fire and the transfer of control of the capital were worked out with the help of American officials in Addis Ababa and in London.

The final defeat of the most radical Marxist regime in Africa had been all but assured by the relentless advance of a loose coalition of three ethnically based rebel groups throughout the country over the past week and a half.

A U.S. diplomat here said that the guerrillas planned to take positions around government buildings, embassies and ministries during the night and early hours of the morning.

"They are protecting institutions," the diplomat said. "But they aren't taking over control of the government entirely."

U.S. diplomats also said that peace talks in London would begin as scheduled on Tuesday to work out the details of the transition coalition government.

U.S. officials condoned a rebel takeover because of fears that the presidential guard, which had deserted en masse on Monday morning with stolen assault rifles and machineguns, was beginning to loot the city.

Bush administration officials said they reversed their prior pleas to the guerrillas to halt their offensive until peace talks could begin after concluding that only the guerrillas could maintain law and order in the capital.

"We want to see law and order," a U.S. diplomat said. "If they can impose it, so be it."

It was not immediately clear whether residents of the capital would welcome the rebels. Sporadic gunfire was heard Monday night around the city, which was darkened by a nearly complete blackout, but resistance appeared to be extremely light.

Earlier Monday, units of the presidential guard, the backbone of the army's resistance forces in the capital, deserted and looted the palace's stockpiles of weapons and food.

The acting president, Lieutenant General Tesfaye Gebre Kidan, called the U.S. chargé d'affaires, Robert G. Houdeck, to his office in the morning to declare that his government was no longer in control of the military.

A senior U.S. diplomat quoted the Ethiopian general as saying: "They are out of discipline. They are out of our hands."

Mr. Houdeck then contacted senior U.S. diplomats, including the assistant secretary of state for African affairs, Herman J. Cohen, who was in London for the peace talks, to relay the Ethiopian president's message.

Mr. Cohen consulted with Ethiopian rebels who were in London for the talks. In an announcement, Mr. Cohen said the United States was recommending that troops of the Ethiopian People's Revolutionary Democratic Front enter Addis Ababa as soon as possible "to reduce uncertainties and eliminate tensions in the city."

Meles Zenawi, the top Tigrean rebel official, told the Americans that his forces could enter the capital and take control of the city.

General Tesfaye told U.S. officials that he would order his forces not to resist the invading guerrillas.

With Ethiopia's regime collapsing, the U.S. stands to regain influence. Page 2.

The assault on Addis Ababa became a foregone conclusion in recent days as the loose coalition of guerrilla groups vanquished one military unit after another and captured up to half of the 350,000-man Ethiopian Army.

Tigrean ethnic units, who only two years ago espoused an Albanian style of communism, dominated the forces attacking the capital.

The Tigreans, who are fighting for more autonomous rule for their northern province, do not publicly support the aspirations for independence espoused by the two other guerrilla groups.

The Eritrean People's Liberation Front, which already occupies all of the northern province of Eritrea, has declared that it will fight on until it wins assurances that a referendum for independence will be held in Eritrea.

The third guerrilla organization is dominated by the Oromo ethnic group, which is made up of Christians and Muslims who live along a wide swath of territory in southern Ethiopia.

The United States has tried for the past several weeks to persuade the Ethiopian government and the rebels to stop fighting and enter into a coalition transition government.

The government, which had been ruled until Tuesday by President Mengistu Haile Mariam, agreed to the transition idea but the rebels continued to advance through the northeast and finally in the south of the country to force a total capitulation.

The Ethiopian government for the last 17 years has been ruled by Marxist-inspired military officers who founded the Ethiopian Workers' Party.

The government had been closely aligned to the Soviet Union and Cuba, which provided vast amounts of military and economic aid as well as advisers to build the Ethiopian revolution.

On Eve of U.S. Arms Proposal, Arens Calls for Talks

By Jackson Diehl
Washington Post Service

JERUSALEM — Defense Minister Moshe Arens called Monday for a conference of Middle Eastern countries and the states that supply them with weapons, in order to curtail deliveries of conventional arms.

The defense minister's proposal, made in a speech broadcast in part over Israeli radio, came as the government of Yitzhak Shamir prepared for a regional arms control proposal from President George Bush. The U.S. plan is expected to focus on nonconventional weapons, but Mr. Arens's speech suggested resistance to that emphasis.

The conventional arms race, Mr. Arens said, "is the major source of instability."

He added, "If, God forbid, there's going to be another war, that will be the reason."

Mr. Arens, who originally delivered his speech Sunday night at Haifa University, argued that although there was "a great deal of interest today in weapons of mass destruction," conventional weapons in such quantities as exist in the Middle East were also weapons of mass destruction.

Israel favors an arms control process focusing on conventional weapons, because it is in conventional forces of tanks, artillery and men that Arab states have a military advantage over Israel. Arab states demand an arms control focus on nonconventional weapons, because of Israel's reported possession of more than 100 nuclear bombs as well as advanced missiles and chemical and biological warheads.

Since the end of the Gulf war, Mr. Arens and other Israeli spokesmen have been promoting the idea of "supply-side" arms control for the Middle East, focusing on limiting the external sources of arms.

The supply-side approach, although resisted by the Bush administration, has some supporters in Congress, where legislation has been introduced to require a partial halt to major U.S. weapons sales in the region.

A spokesman for Mr. Arens, Danny Naveh, said the defense minister's plan was not necessarily meant as an answer or counter to Mr. Bush's expected proposal. But he said Israel's position was that arms control could not be limited to nonconventional weapons.

"Our policy is that you have to deal with all the problems," Mr. Naveh said. He added that the conference proposed by Mr. Arens would be strictly limited to discussion of conventional arms, and that Israel would not want to have a conference in which both conventional and nonconventional weapons were discussed.

In the Works in Nigeria: A Top-Down Democracy

By Kenneth B. Noble
New York Times Service

LAGOS — Four years ago, when Nigeria's military ruler made public an elaborate plan for returning the military to the barracks and leaving the task of governing to civilians, many Nigerians reacted with a mixture of cynicism and incredulity.

They recalled with bitterness Nigeria's dismal experiences with democracy: Soldiers have run the country for all but nine years since independence from Britain in 1960.

There have been seven coups and three of the nation's eight leaders have been assasssinated. Two brief periods of civilian rule collapsed amid allegations of incompetence and endemic corruption, a situation made worse by deepening hatred between rival faiths and ethnic groups.

But Nigeria's leader, Major General Ibrahim Babangida, appears to have taken an utterly unpromising political situation and deftly turned it to his advantage, without sacrificing control of the process.

The military disqualified from office virtually every person who held senior political office during previous governments, then created two political parties, gave them names and wrote their party platforms, appointed senior party officials, provided funds, and even built offices and party headquarters in more than 500 towns and villages.

Elections were scheduled for 1992, and ordinary Nigerians, who until this point had almost no voice in the process, were invited to join what General Babangida calls "the last lap" to "a new social, political, and economic order."

For this, many Nigerians credit him with restoring democracy.

"Few people really believed Babangida when he said he would push for democracy," said Omo Omoruyi, director of the Center for Democratic Studies, a government-financed research institute based in Abuja, Nigeria's new capital. "The fact that he has accomplished much of what he has set out to do is astonishing."

Judging from the first round of local elections, in December, the transition so far is a qualified success. Although voter turnout was light by historical standards, there was no evidence of the wave of violence and vote-rigging that marred the last round of balloting, held nearly seven years ago.

Moreover, for the first time since independence, a major political contest was not fought on sharply etched religious and ethnic lines. Perhaps most important, earlier suspicions about the resolve of the military leaders to stand aside have largely evaporated. The crucial question now is how long civilian rule will last once it arrives.

If Western-style democracy endures and flourishes, the reward for Nigeria could be enormous. With one of the largest gross nation-

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Iran, Citing Need for Aid, Will Help Stabilize Oil Prices

By Thomas W. Lippman
Washington Post Service

ISFAHAN, Iran — Iran, seeking to return to the world community, publicly acknowledged Monday its need for foreign investment and declared its intention to cooperate with Saudi Arabia to seek stable oil prices.

More than 300 delegates to the first international conference held in Iran since the Islamic revolution of 1979, including several Americans, heard a strong message from President Hashemi Rafsanjani and his senior cabinet officials: The revolution has triumphed, they said in effect, the Gulf wars have ended and it is time for Iran to forget about exporting radicalism and to seek good relations with other nations.

Iran needs foreign help to rebuild after eight years of war with Iraq, and it wants long-term, reliable customers for its oil to finance the future prosperity of its fast-growing population, the Iranians said.

Iran, Mr. Rafsanjani said in a message to the conference, is "ready to embark on mutual cooperation with regional and nonregional countries to secure viable peace and stability within the framework of sensible policies."

In the new era, Foreign Minister Ali Akbar Velayati said, "economic considerations overshadow political priorities."

In an atmosphere that approached the festive, the Iranians omitted from their remarks the denunciations of the United States that are standard here. In fact, they criticized no country other than Iraq.

Even the speaker considered most representative of the views of the religious element of the country's leadership, Sayed Zadeh, chairman of the Petroleum Committee of Iran's parliament, avoided sharp criticism of the West. While not taking issue with the views expressed by Mr. Rafsanjani and Mr. Velayati, however, Mr. Zadeh warned against engagements that he said could lead to continued exploitation of Third World people by imperialists.

After 12 years of dour austerity, Iran has few facilities suitable for an event of this kind. The site of the conference, an ornate 17th century caravansary converted into the best hotel of this city, was chosen to show the country's best face to potential partners and customers, officials said.

The delegates — oil company executives, government officials, industry analysts and journalists from more than 20 countries — generally agreed that the significance of the event was more symbolic than substantive.

Since the death two years ago of Ayatollah Ruhollah Khomeini, Iran has been moving at an accelerating pace to end its isolation from

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Kiosk

Najibullah Makes a Truce Offer

ISLAMABAD, Pakistan (Reuters) — The Soviet-backed Afghan president, Najibullah, offered rebels a truce on Monday to allow a United Nations peace plan to work.

He said in a speech over official Kabul Radio, monitored in Islamabad, that he had ordered all provincial governors and government organizations to declare a cease-fire in their areas if the Western-backed guerrilla commanders agreed to it.

Afghanistan, Pakistan and the Soviet Union have welcomed a five-point plan proposed by the UN secretary-general, Javier Pérez de Cuéllar, last week to end 12 years of civil war in Afghanistan.

General News

Israel bars a prisoner exchange with Arabs until it is certain its soldiers are alive. Page 2.

Indian officials believe Sri Lankan separatists assassinated Rajiv Gandhi. Page 6.

Weather Page 2.

Business/Finance

Aerospatiale of France accused the United States of subsidizing its defense industry. Page 11.

World trade talks still face huge obstacles. Page 11.

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Reuters

FACE OF DEFEAT IN SPAIN — Adolfo Suarez, the centrist who led Spain's transition to democracy, on Monday after stepping down. His party suffered an election defeat. Page 7.

High-Tech Hits the Road to Aid Drivers

By Curt Suplee
Washington Post Service

WASHINGTON — The car lurches up the highway ramp, poised to enter heavy traffic. The console speaker beeps firmly three times, indicating that a sensor implanted in the asphalt has recorded the car's identification number. The highway navigation system is now in control.

As the driver takes his foot off the accelerator, shakes the newspaper open and starts to read, a space opens in the lane to the left and the car glides into the niche. Rear radar-controlled autopilots adjust the distance between vehicles. A row of toll booths looms ahead, but the car barely slows. The booth detector reads a radio signal from the license plate and instantly debits the driver's credit card for the toll.

Ten minutes later, another beep. The console screen shows a truck accident miles ahead and suggests alternative roads. The driver decides to stick with the original route to his destination, where the liquid-crystal display has already confirmed 332 hotel rooms and 27 eateries in his price range.

This is not fantasy.

About $20 million in U.S. government funds alone is being spent this year to help develop a cluster of technologies known collectively as Intelligent Vehicle-Highway Systems, and informally as "smart highways." Some of the devices mentioned are in place, and more are on the way.

Last week, the Senate Environment and Public Works Committee approved a plan sponsored by Senator Frank R. Lautenberg, Democrat of New Jersey, that would devote $150 million a year for the next five years to such projects.

Proponents call that cheap. According to a General Accounting Office study made public this month, experts estimate that delays from congestion alone result in productivity losses of up to $100 billion annually.

And that's not counting the cost of more accidents, added air pollution and aggravated stress on a population ill-equipped to handle much more.

The General Accounting Office predicts that a full-scale smart highway system could cut the average commute by as much as 50 percent in jam-prone urban areas. In Los Angeles, a six-arterial trial project slated to start next year is expected to result in savings in time and gasoline worth $24 million to $32 million a year.

Such systems entail three successive stages of sophistication: traffic management systems to provide and collate data on highway conditions; traveler-advice devices to transmit "real-time" navigational information to the car and, ultimately, automated control of speed, direction and steering, radar-cued braking and the like.

The first two levels require only conven-

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Hidden Dangers for GIs: Live Mines and Candy for Kurds

By Clyde Haberman
New York Times Service

D'HOK, Iraq — Among the standing orders for American soldiers in northern Iraq is that they may not imitate the fabled giveaway habits of their fathers and grandfathers.

No candy may be tossed to Kurdish children who line the streets, thick as wildflowers, across the allied security zone.

One reason is that, early in the military rescue mission, sugar-bedazzled youngsters started chasing after the vehicles, creating dangerous situations. But another problem quickly made itself apparent.

Local customs dictate that if you receive a gift, you must give one back. What some Kurdish children chose to give were live rocket-propelled grenades and other munitions that they had found lying in the fields and hills.

"It is," said Lieutenant Colonel Gary Goff, operations chief for the relief program and a master of understatement, "a dangerous place."

It is dangerous enough that sweeping for land mines, booby traps, grenades, rockets, and mortar shells were among the first tasks for dozens of soldiers who extended their reach in northern Iraq this weekend to include this important Kurdish center.

"The stuff is anywhere and everywhere," Colonel Goff said.

Technically, D'hok remains outside the allied-protected zone. But so many Kurdish refugees who fled into Turkey came from this city and surrounding towns that a foreign military and civilian presence here was considered essential to give the Kurds the reassurances they seek that it is safe to come back.

So without calling it an expansion of the haven, as many as 170 foreigners, roughly half of them American, British, and Dutch soldiers, have begun operations to help restore basic services disrupted during and after the Kurds' failed uprising against President Saddam Hussein.

The Iraqi authorities insist that they do not need the help, and, after surveying D'hok in the last few days, representatives of some overseas voluntary agencies agree. But the United States-led alliance says it must be here, in part because the Kurds have demanded American protection. Early signs are that the new strategy is working better than expected.

Thousands of refugees, encouraged by their leaders to return, have streamed into the city in the last two or three days. On Friday and Saturday, according to U.S. Army spokesmen, 50,000 people passed through military checkpoints set up a few miles outside D'hok.

All of those travelers may not have come to this town, or stayed after arriving. Nonetheless, the allies put the population here now at 87,000, almost one-third the level before the refugee crisis and a big increase from the 10 percent or less who remained after the Kurds fled early in April.

"It's too early to tell a trend, but my gut feeling is that it's going well," said Major General Jay M. Garner, the U.S. Army commander in northern Iraq.

Making D'hok livable again means not only restoring electrical power and sanitation, but also clearing the munitions that the Iraqi armed forces had stored in houses, hidden in caches, or simply left out in the open.

When the security zone was created last month and headquarters established in Zakho, 50 kilometers (30 miles) to the north, soldiers were astounded by the amount of munitions they were finding.

"The Iraqis booby-trapped everything," General Garner said. "We destroyed tons of it in Zakho, absolutely tons of it. We're finding even more here."

A series of fatal accidents within the zone in recent days underlines the perils for both soldiers and civilians.

Seven Kurdish children were reported to have been killed last week while playing in what turned out to be a mine field. French and American officers said they were handling a grenade they had found. When someone shouted at them to drop it, they panicked and started to run, touching off mines in their flight.

Just before the weekend, two soldiers, one American and one French, were killed when they wandered from secured areas and stepped on mines. In all, there have been five incidents involving mines, with 12 soldiers wounded in addition to the two dead.

General Goff said that Iraqi commanders were asked for maps pinpointing the mine fields, but they replied that "the maps were destroyed by terrorists."

The Iraqis, however, have provided engineers to help identify the fields, and about 50 weapons-disposal experts from several allied countries are also on the job.

In Zakho, around noon each day, the heat is punctuated by a bone-jarring blast signaling that another harvest of munitions has been exploded. But in D'hok, General Goff said, the material that is gathered will not be blown up but disarmed and then given back to the Iraqis.

Presumably, there is a risk of its being rearmed one day, but the colonel said that "psychologically, this is better than having a big boom each day; we don't want to create panic."

The allies also do not want to create further political tension with the Iraqi government. Zakho is the heart of the security zone. D'hok, however, is still sovereign Iraqi territory.

Frederic Neema/Reuters

A Kuwaiti soldier guarding three Iraqi women as they awaited trial Monday. The women, residents of Kuwait, are accused of having harbored an Iraqi soldier during Baghdad's invasion in August.

Kuwait Extends Martial Law

Compiled by Our Staff From Dispatches

KUWAIT — Kuwait extended martial law by one month Monday and launched a drive against torture of suspected Iraq collaborators and armed crime.

An Information Ministry spokesman, Amal Hamad, announced the extension of martial law but offered no explanation.

The first period of martial law was declared Feb. 28 after U.S.-led troops drove Iraqi forces from Kuwait. The period was to have expired at midnight Monday.

Martial law gives the military wide powers to search and detain.

The extension coincided with a government drive against armed crime, illegal possession of arms and free-lance abduction of suspected collaborators.

The crown prince, Sheikh Saad al Abdullah as Salim as Sabah, said Sunday that he wanted an end to vigilante law and the abduction and torture of expatriates.

It was his toughest speech since the end of the war.

"These elements must be arrested, questioned and brought to trial," Sheikh Saad said. "We must not lose the international support we have on account of irresponsible acts by individuals."

Political opponents and Western diplomats gave the address a cautious welcome.

"It's nice talking," said an opposition leader, Abdullah Nibari. "Our problem here is to transform words into action."

The crown prince, who is also prime minister, repeated a government order to hand in unlicensed arms and added that some citizens were in unauthorized possession of machine guns, anti-tank weapons and anti-aircraft guns.

The crown prince's speech appeared aimed at polishing Kuwait's image with the United States and other Western Gulf war allies.

The United States said last month that its continued support for Kuwait depended upon respect for human rights.

It has also voiced concern about the conduct of a series of trials of suspected collaborators.

(Reuters, AFP)

U.S. Sees Renewed Influence As Talks Begin on Ethiopia

By Neal A. Lewis
New York Times Service

WASHINGTON — With the Ethiopian government collapsing, the United States is preparing to help shape a new government for the country as Washington resumes a position of influence it has not had for nearly two decades in a pivotal part of Africa.

U.S. officials are presiding at meetings in London this week with rebel leaders and what remains of the Ethiopian government.

"Our focus will really be to midwife a new Ethiopian government," a senior State Department official said.

It will not be an easy task, officials said. Two of the three main rebel groups have espoused a mélange of Marxist ideologies over their years on the battlefield and one, the Eritrean People's Liberation Front, is committed to some form of independence for the northern part of the country.

But U.S. officials hope that the Marxist oratory that served as a unifying ideology in the field can be put aside as the rebels contemplate the task of governing the country.

The eclipse of the government in Addis Ababa, officials and analysts say, is another illustration of the effects of the end of the U.S.-Soviet rivalry that for so long fueled conflicts in places like Ethiopia.

The officials said the United States played the dominant role in overseeing the Ethiopian situation because of several factors, including the virtual abandonment of the Ethiopian government by Moscow, urgent appeals to the White House from American Jewish groups concerned over the fate of thousands of Ethiopian Jews stranded in Addis Ababa, and a heightened worry in the Bush administration about a new famine in the country.

Herman J. Cohen, the U.S. assistant secretary of state for African affairs, held separate, preliminary talks Monday with representatives of the Ethiopian government and rebel groups. When he convenes the first session of roundtable negotiations on Tuesday, he will face three rebel factions that have never sat down together to consider the future of Ethiopia.

The conference table will reflect the factious nature of Ethiopia itself, a country of 55 million people. The Eritrean rebels have fought for independence from the central government for nearly 30 years. They contend that, as an Italian colony, Eritrea deserved its own independence when the colonial powers began to leave Africa.

The current Eritrean leader is Isaias Afwerki, a man described by officials as the most forceful of the rebel leaders. Mr. Isaias is believed to have been educated in Italy and has won the admiration of some officials for his intellect.

One administration official said that one of the biggest obstacles in achieving a new national order would be insistence on some form of autonomy by Mr. Isaias's group.

The Ethiopian People's Revolutionary Democratic Front is dominated by rebels from the province of Tigre who have been battling the central government since 1975. Their representative at the conference will be Meles Zenawi, who, like most of the Tigrean rebels, was educated at the best schools in Addis Ababa and is steeped in Marxist ideology from student movements.

U.S. officials said that, despite the Marxist positions of both the Tigrean and Eritrean groups, now was a good time to assist the groups because collectivist ideologies were losing favor in the Third World after the collapse of the Soviet empire.

The third group at the conference will be the Oromo Liberation Front, represented by Yahannes Lata Wagayo. The Oromos, the dominant tribe in southern Ethiopia, have long resented the ruling Amhara tribe of the central plateau. The Oromos are the least significant militarily but could prove to be an important factor if the Tigreans and Eritreans are sharply at odds.

Because of the ending of Soviet interest in Ethiopia, Washington filled a vacuum in the last few years of the war as an outside player. As events worsened in recent months, administration officials said that their planning was haunted by memories of the horrors in Monrovia, Liberia, and Mogadishu, Somalia, after rebel forces rampaged through fallen capitals.

The phrase used repeatedly by White House and State Department policymakers was the need for a "soft landing" in Ethiopia, a far larger country than Liberia or Somalia. "If we had the kind of situation in Mogadishu reoccur in Addis, it would have been a disaster on a far larger scale for years to come," a senior administration official said.

Shamir Urges Israelis To Assist the Falashas

Compiled by Our Staff From Dispatches

JERUSALEM — Prime Minister Yitzhak Shamir urged Israelis on Monday to translate their euphoria over the successful airlift of 14,000 Ethiopian Jews into actions to meet the "challenge of absorbing the immigrants."

In his first speech to the Knesset, the country's parliament, since the weekend airlift, Mr. Shamir acknowledged that the newcomers, like the first wave of Ethiopians seven years ago, faced a rough road. The challenge, he said, "is great — in housing and employment, in spiritual and social assimilation, in education."

About 20,000 Ethiopian Jews — most of them evacuated to Israel during a secret operation in 1984-85 — have been trying for seven years to carve out a position in a cosmopolitan society united by the same faith. But differences in social and religious practices and separation from loved ones have slowed their integration.

Uneducated and without skills, the black Jews of Ethiopia, who are known as Falashas, are still at the lower rungs of Israel's social ladder. Many are employed in farming, industry or building, but some live on government handouts.

Although young men and women have been drafted by the army and children attend integrated schools, older Falashas say they find it difficult to learn Hebrew or compete for jobs, and lack the skills of well-educated Soviet immigrants.

More than 250,000 Soviet immigrants have arrived in Israel since 1989 and many more are expected this year, making it that much more difficult for the Falashas to find work.

"I get by, but with difficulty," said Anat Motasani, a middle-aged mother of two who arrived in Israel seven years ago. She said she had been unable to find a job and has had to live on government checks since leaving Ethiopia in 1984.

Preparing to meet her husband, who had been left behind, she said: "I am not sure if he can find work."

According to official estimates, 10 percent of the country's work force is jobless, with a large fraction of them Ethiopians.

The unemployment rate for Falashas is more than 50 percent, according to a researcher at Hebrew University, Shalva Weil.

She said that almost all Falashas over 45 were unemployed while younger ones preferred unemployment compensation to working.

Mrs. Weil said that over the past few years several dozen Falashas, unable to adapt to the Israeli way of life, had committed suicide.

Differences in religious practices between the arriving Ethiopian Jews and the Israelis also have been a problem.

(AP, Reuters, AFP)

Israel Links POW Swap To Proof on Fate of 7

By Sabra Chartrand
New York Times Service

JERUSALEM — A Defense Ministry official Monday tempered reports that Israel and Moslem fundamentalists in Lebanon were close to a prisoner exchange, saying that Israel would not negotiate a swap until it had evidence that its missing soldiers were still alive.

Uri Slonim, the adviser of Defense Minister Moshe Arens on prisoners of war, said Israel wanted "precise information, proof and signs of life from those who are being kept by Hezbollah," the Iran-backed Party of God that is believed to be holding Israelis.

Seven Israeli servicemen have been missing in Lebanon for several years, some since 1982. There have been unconfirmed reports that five of them are dead.

Proof of the Israelis' fate and their exchange is considered crucial to the release of 12 Western hostages in Lebanon, including six Americans. The Westerner's abductors have demanded that Israel free its Arab prisoners before the Westerners would be released.

Prospects for a prisoner exchange improved after the new leader of the Party of God, Sheikh Abbas Musawi, announced last week that his group was willing to negotiate the release of Lebanese and Palestinian prisoners with Israel. Under its previous leadership, the Party of God refused to consider freeing the Israeli prisoners.

But the sheikh also said the Party of God could negotiate only the release of the Israelis under its control. Israel believes at least three of the missing servicemen are in the hands of the Party of God. They are Ron Arad, an air force navigator shot down over Lebanon, and two soldiers, Yosef Fink and Rahamim Alsheikh.

Three other Israelis disappeared during a 1982 tank battle. They appeared briefly on Syrian television shortly after their capture but have not been heard from since. The last missing Israeli, a Druze, was captured in 1983. A Palestinian guerrilla group twice reported that he had been killed.

Last week, Danny Naveh, spokesman for Defense Minister Arens, said the International Committee of the Red Cross must be allowed access to the Israeli prisoners before any negotiations.

"When Israel gets signs of life and proof from its prisoners of war, it will be ready to negotiate the release of Lebanese held by Israel, including Sheikh Abdul Karim Obeid," Mr. Naveh said.

■ Sheikh Says 2 Are Held

The leader of Hezbollah said Monday that his group was holding two Israeli soldiers but he did not give their names, The Associated Press reported from Beirut. Speaking in a radio interview, Sheikh Musawi added that Israel had not met conditions for an exchange.

BUSH: *China to Keep Trade Status*

(Continued from page 1)

said. "This moral dimension of American policy requires us to remain active, engaged in the world. Many times, that means trying to chart a moral course through a world of lesser evils. That's the real world, not black and white. Very few moral absolutes."

Mr. Bush said he would hold China to the strictest human rights standards. He spoke of sanctions that he imposed against China after the violence in Tiananmen Square and the nationwide crackdown on political activity in 1989.

The White House also said Mr. Bush had ordered three measures to limit the export of missile and satellite technology to China:

- Licenses will be refused to companies that have applied to sell China 20 high-speed computers, valued at $30 million, that can be used for flight testing of missiles.
- As long as the United States is not satisfied that China is abiding by international restrictions on the flow of ballistic missile and nuclear technology, licenses will not be granted to U.S. companies seeking to participate in seven proposed satellite launches by China. No such licenses have been requested.
- U.S. companies will be barred from selling missile technology or equipment to the government-run Chinese Precision Machinery Import-Export Corp. The White House said this action was ordered in response to the Chinese corporation's sale of missile technology and equipment to Pakistan.

The White House sought to play down any connection between these three actions and Mr. Bush's decision to extend China's trading status.

"One is not being done to sell the other," said a senior administration official.

But all three steps were outlined by Secretary of State James A. Baker 3d in a recent memo to Mr. Bush that proposed a strategy for how to sell his decision on Chinese trade to a reluctant Congress, officials said.

That letter also talked about which members of Congress should be targeted to help Mr. Bush's cause and proposed arguments for defending the decision on trade.

WORLD BRIEFS

Riot Suspect Dies in French Custody

PARIS (Reuters) — A young Frenchman of Arab origin arrested during weekend riots in a Paris immigrant suburb died Monday in police custody.

Officials quoting police at the scene said Ihich Aissa, 18, suffered an asthma attack while being transferred from police cells to a magistrate's chambers and died on reaching a hospital.

About 100 young people threw firebombs at riot police Sunday night at Mantes-la-Jolie, west of Paris. Five people were arrested. The night before, seven people, including Mr. Aissa, were arrested and two policemen were injured during riots in the same area. In the last year violence has erupted in several French industrial centers that are mostly inhabited by immigrants.

Lebanon Ratifies Treaty With Syria

BEIRUT (Reuters) — Parliament ratified a treaty on Monday committing Lebanon to close cooperation with Syria. The treaty calls for cooperation in political, military, security, economic and cultural affairs. It has been criticized by Israel and others who contend that it in effect allows Syria to annex its neighbor.

The pact was agreed to 18 months ago as part of a deal among Muslim and Christian factions, which has since ended fighting in a 16-year civil war and set central government on the road to recovery under Lebanon's Syrian-backed president, Elias Hrawi. Forty-five of the 67 deputies voted to ratify.

Prime Minister Omar Karami said the Treaty of Brotherhood, Coordination and Cooperation reflected "historic and geographic facts" that bind the two countries.

Bulgaria Opens Pope-Shooting Files

SOFIA (AFP) — More than 25,000 pages of secret files on the 1981 attempt to assassinate Pope John Paul II have been released to an international commission of inquiry by the Bulgarian government, the panel's chairman said here Monday.

Allen Weinstein, director of the Center for Democracy in Washington, said at a news conference that the commission planned to ask the governments of Poland, Czechoslovakia, the Soviet Union, Italy, Germany and Turkey for similar information.

Mehmet Ali Agca, a Turk convicted of wounding the pope in 1981, has said a Bulgarian employee of the Bulgarian airline gave him the gun he used in the shooting. The Bulgarian, Sergei Antonov, was arrested but released for lack of evidence after a two-year trial. Mr. Agca also implicated a Bulgarian military attaché and embassy staff member, who left Italy as the trial began.

South Africa Acts on Housing Laws

CAPE TOWN (Reuters) — South Africa's government, proposing to make apartheid "a political dodo," asked Parliament on Monday to scrap scores of laws that have promoted segregation for decades.

Opening a week-long debate on land reform, Planning Minister H.J. Kriel asked lawmakers to repeal the 1950 Group Areas Act on segregated housing and the 1913 and 1936 Land Acts, which reserve 87 percent of farm land for whites. "It is the government's firm intention to turn apartheid into a political dodo," Mr. Kriel said. "Apartheid did not work. It was an experiment gone wrong."

Kaifu Asks Strict Arms Sales Curbs

TOKYO (UPI) — Prime Minister Toshiki Kaifu, at a UN-sponsored disarmament conference in Kyoto, called Monday for stricter control of international arms trade in light of the Gulf war.

"International arms transfer, access to weapons-related technologies and arms proliferation together enabled Iraq to build an enormous military machine far exceeding any realistic self-defense needs," he said.

"To prevent the emergence of a second or third Iraq," he added, "I firmly believe a concerted effort by the international community is urgently needed to seriously address the disarmament issues of foremost importance."

TRAVEL UPDATE

U.S. Lists Dangerous Travel Regions

WASHINGTON (IHT) — The following are travel advisories issued by the State Department with warnings for countries posing the potential for physical danger and cautions for unusual conditions:

AFRICA WARNINGS: Angola, Chad, Ethiopia, Liberia, Mali, Mauritania, Mozambique, Niger, Rwanda, Sierra Leone and Sudan.

AFRICA CAUTIONS: Cameroon, Kenya, Senegal, South Africa, Tanzania, Togo, Uganda, Zaire, Zambia and Zimbabwe.

ASIA WARNINGS: Afghanistan, Cambodia, India, North Korea, Pakistan, Philippines and Sri Lanka.

ASIA CAUTIONS: Bangladesh, Burma, China, Indonesia, Malaysia, Nepal and Papua New Guinea.

CENTRAL & SOUTH AMERICA WARNINGS: Colombia, El Salvador, Honduras, Peru and Suriname.

CENTRAL & SOUTH AMERICA CAUTIONS: Bolivia, Chile, Cuba, Ecuador, Guatemala, Haiti and Nicaragua.

EUROPE WARNINGS: Eastern Mediterranean, Turkey and Yugoslavia.

EUROPE CAUTIONS: Albania, Cyprus, Romania and Soviet Union, particularly the Baltic states.

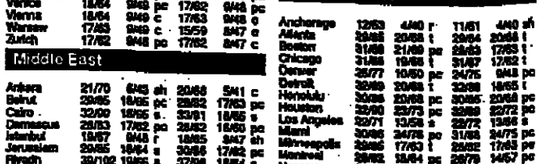
MIDDLE EAST WARNINGS: Iran, Iraq, Jordan, Lebanon, Libya, West Bank, Gaza and East Jerusalem.

MIDDLE EAST CAUTIONS: Djibouti, Kuwait, Northern Gulf area, Syria and Yemen.

The Romanian airline TAROM resumed flights to Beirut on Monday after a break of more than four years because of the Lebanese civil war, airport officials said. *(Reuters)*

An octopus plague is threatening swimmers in the English Channel after a series of warm winters. While not normally dangerous, the one-meter (three-feet) diameter creatures can deliver a bad nip to unwary bathers with their beaks, which are similar to those of parrots. *(Reuters)*

The Weather



North America
Summerlike weather will be the rule today from the Midwest to the East Coast with high heat and humidity. Thunderstorms will rumble through parts of the northern Plains states. The Southeast will have scattered thunderstorms today.

Europe
Heavy rains will soak the coast of the Black Sea, as well as parts of the Ukraine USSR, as a slow-moving storm moves into the southwestern USSR today. Spain will have sunny and warm weather. The rest of Europe will be cloudy and damp.

Asia
Dry, settled weather will be the rule over a broad belt from northern China to Japan today. It will be comfortable overall, and eastern Japan will be cool. Scattered showers and thunderstorms will occur in southern China and Southeast Asia.

Europe

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
	CF	CF		CF	CF	
Algarve	19/67	11/52	pc	19/66	11/51	sh
Amsterdam	17/62	8/47	pc	18/61	8/46	pc
Athens	32/72	18/65	pc	33/73	19/66	s
Barcelona	21/69	10/50	pc	21/70	11/51	pc
Belgrade	18/64	7/45	t	17/62	7/44	sh
Berlin	18/64	8/46	c	17/63	7/45	c
Brussels	17/62	9/48	pc	17/62	8/47	pc
Budapest	16/60	8/46	sh	16/60	7/45	sh
Copenhagen	14/60	8/46	pc	17/62	7/44	pc
Costa Del Sol	29/72	11/51	pc	22/72	11/52	pc
Dublin	21/70	9/48	pc	21/69	8/47	pc
Edinburgh	17/63	7/45	pc	17/62	7/44	pc
Florence	18/64	8/46	pc	17/62	7/44	pc
Frankfurt	18/65	8/46	pc	18/64	8/47	pc
Geneva	17/62	8/47	pc	16/60	7/45	c
Helsinki	13/55	8/46	c	13/56	8/48	sh
Las Palmas	24/75	16/60	pc	24/75	16/61	pc
Lisbon	19/67	10/50	sh	19/66	9/48	sh
London	21/70	11/52	pc	21/69	11/51	pc
Madrid	21/70	13/55	pc	22/71	12/54	pc
Milan	16/61	9/48	pc	16/60	8/46	pc
Moscow	17/63	10/50	sh	16/60	9/48	c
Munich	16/60	8/46	c	15/59	8/46	c
Nice	21/69	7/45	pc	20/68	8/46	pc
Oslo	17/62	7/45	pc	17/62	7/45	pc
Paris	19/67	11/52	c	19/67	12/53	c
Prague	18/64	8/47	c	17/63	7/45	c
Reykjavik	6/42	3/37	sh	6/43	3/38	pc
Rome	19/66	9/48	pc	18/65	9/48	pc
Stockholm	17/63	7/45	pc	13/55	8/47	c
Strasbourg	17/63	7/45	pc	18/64	8/46	pc
Venice	18/64	9/48	pc	17/62	9/48	pc
Vienna	18/64	9/48	c	17/63	8/46	c
Warsaw	17/63	9/48	c	15/59	8/47	c
Zurich	17/62	8/46	pc	17/62	8/47	c

Asia

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
	CF	CF		CF	CF	
Bangkok	36/97	26/79	pc	34/93	25/77	pc
Beijing	27/80	18/64	pc	28/79	18/65	pc
Hong Kong	33/91	28/75	pc	33/92	28/75	pc
Manila	34/93	28/75	pc	34/93	25/77	pc
New Delhi	39/103	27/81	pc	40/104	28/82	pc
Seoul	22/72	19/66	pc	25/77	19/67	pc
Shanghai	27/81	19/67	pc	27/81	20/68	pc
Singapore	34/94	24/79	pc	34/93	24/75	pc
Taipei	32/90	21/70	pc	33/92	22/71	pc
Tokyo	24/75	20/68	pc	25/77	14/66	pc

Africa

Algiers	25/77	14/58	sh	24/75	15/59	sh
Cape Town	24/75	9/48	pc	22/72	8/46	pc
Casablanca	33/91	14/58	pc	33/91	14/57	pc
Harare	28/86	18/65	pc	28/83	18/63	pc
Lagos	40/104	24/76	pc	40/104	25/77	pc
Nairobi	27/81	16/60	pc	27/81	15/59	pc
Tunis	29/82	19/66	pc	29/82	18/64	pc

Latin America

Buenos Aires	18/65	11/52	sh	17/62	10/50	pc
Caracas	33/91	26/79	pc	33/91	25/77	pc
Lima	21/70	17/62	c	21/70	18/64	c
Mexico City	28/91	18/64	pc	28/80	17/63	t
Rio de Janeiro	25/77	17/62	pc	24/75	17/63	pc

North America

Anchorage	12/53	4/40	r	11/51	4/40	sh
Atlanta	28/82	20/68	t	29/84	20/68	t
Boston	21/69	21/69	pc	23/73	17/63	t
Chicago	21/69	19/66	t	21/67	17/62	t
Denver	25/77	10/50	pc	24/75	9/48	pc
Detroit	23/73	20/68	t	23/73	19/66	t
Honolulu	30/86	23/73	pc	30/86	23/68	pc
Houston	32/90	23/73	pc	33/93	22/72	pc
Los Angeles	22/71	13/56	s	23/72	13/56	s
Miami	30/86	24/75	pc	31/88	24/75	pc
Minneapolis	23/86	17/63	t	23/82	17/63	pc
Montreal	23/82	18/64	pc	23/73	14/57	pc
Nassau	32/89	23/73	pc	31/88	25/74	pc
New York	22/80	22/72	pc	21/88	19/66	t
San Fran.	21/70	9/48	pc	21/69	10/50	s
Seattle	19/64	9/48	pc	19/67	9/48	c
Toronto	29/84	19/66	pc	25/82	14/58	t
Washington	34/93	21/70	pc	34/93	21/70	pc

Middle East

Ankara	21/70	6/43	sh	20/68	5/41	c
Beirut	29/86	19/66	pc	28/82	17/63	pc
Cairo	32/90	19/66	s	33/91	18/66	s
Damascus	29/83	17/62	pc	28/82	16/60	pc
Istanbul	19/67	9/48	r	18/65	8/47	sh
Jerusalem	29/85	18/64	s	30/86	17/62	pc
Riyadh	39/102	19/66	s	37/98	19/64	s

Oceania

Auckland	19/67	11/52	pc	19/67	12/53	pc
Sydney	21/70	8/47	sh	24/75	8/46	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, s-snow, Ice.
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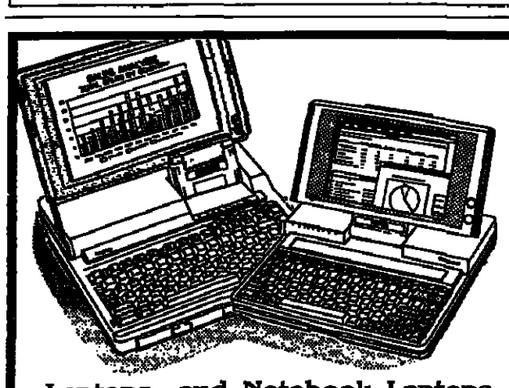

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Fashion Statement in Brazil: President's Political T-Shirts

By James Brooke
New York Times Service

BRASILIA — It was late on a Saturday afternoon when President Fernando Collor de Mello was noisily deserted by a close political ally.

The president had a novel way to control the damage. The next morning, he emerged from his compound here for a Sunday jog. Stretched over his chest was a freshly emblazoned T-shirt, the paint barely dry. Above a stylized hourglass was the message, "Time and the Lord will judge."

In a nation of young people where a surfer's physique leaves a more lasting impression than a news conference, the chest of Mr. Collor has emerged as a major medium for political marketing.

Every Sunday that he spends in the capital, Mr. Collor, 41, sets off for a jog with a new message on his chest.

Firmly enthroned in the folklore of the one-year-old Collor government, the T-shirts reach a wide audience in a nation of 155 million people.

Sunday is usually a slow news day, but in addition Brazil's low literacy rate makes the electorate susceptible to images.

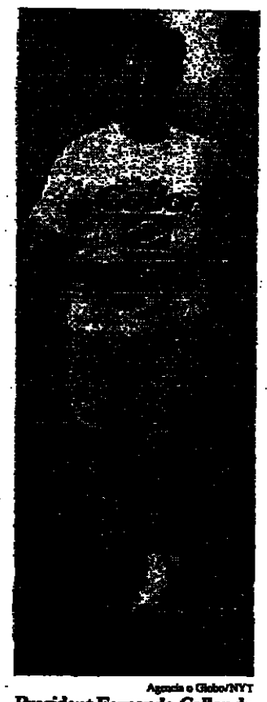
Access to television is virtually universal across this vast nation, and glossy photo magazines have audiences comparable to those of *Life* and *Look* in the United States of the 1940s.

"Like most good ideas, the T-shirt was a chance discovery," the president's spokesman, Claudio Humberto Rosa e Silva, said as he pensively rolled a cigar between his fingers at the steel and glass Presidential Palace. "Now, it gets good media play."

David Fleischer, an American political science professor here, said: "It's Brazil's equivalent of Reagan chopping wood or mending fences on the ranch. It builds up Collor's macho image."

For example, one Sunday last December, when criticism thickened over Mr. Collor's economic austerity program, the president was photographed jogging in pouring rain in a T-shirt proclaiming, in Latin: "Through adversity to success."

During the Gulf war, Mr. Collor sported a series of shirts that seemed to say more about the conflict than he did, in public. Before the allied attack against Iraqi forces, he jogged with a shirt printed with a dove of peace and the Arabic word for peace, *salaam*.



Agencia o Globo/NYT

President Fernando Collor de Mello sending a message, with a self-promotion focus.

Early in February, at the height of the fighting, his shirt asked, "Who will pay for this?" After the cease-fire, in early March, his shirt asked, "Peace?"

Seeking to help regional causes, he has jogged with shirts promoting a rock festival in Rio de Janeiro, tourism in the Pantanal wetlands of Brazil, next year's United Nations environmental conference in Rio de Janeiro, and a campaign to hold the Olympics in Brasilia in 2000. He was worn four anti-drug T-shirts, one for Indians, one for children, one for May Day, and one for Mother's Day.

"Collor's chest has become the most sought after billboard in the nation," Jornal do Brasil, a Rio de Janeiro daily, wrote recently.

A photo newsmagazine gushed about the president's "enviable physique." Brazil's political opposition, tired of opening Monday newspapers to see Mr. Collor trim and jogging in a new shirt, are now trying to debunk his athletic prowess.

Isto E, a São Paulo newsmagazine, wrote glowingly of the jogging abilities of Orestes Quercia, former governor of São Paulo state and a leading contender for the 1994 presidential elections.

Praising Mr. Quercia as "a well-prepared runner," the magazine said the flat-stomached politician, 51, jogged six kilometers (3.7 miles) in 40 minutes — supposedly a better time than the president, 10 years his junior.

In a counterattack, Mr. Collor said that Mr. Quercia "jogs on asphalt," while he runs cross-country, over hill and dale. Mr. Rosa e Silva fired off a letter to the magazine, affirming that early in April, Mr. Collor was officially clocked running five kilometers in 24 minutes.

With Brazil's president distributing T-shirts as souvenirs to political followers and as peace offerings to political adversaries, his spokesman has also used them to defuse potentially embarrassing situations.

Last month, the president traveled to Juàzeiro do Norte, an interior town in Brazil's impoverished Northeast. During his speech to a crowd of 30,000, a small group chanted anti-government slogans.

Sleeves rolled up, Mr. Collor, a fellow Northeasterner, bellowed into the microphones: "My father always told me that I was born with the purple thing. And I really have it to confront all those people who conspire against the democratic process."

Reporters from southern Brazil stared at each other, mystified by the expression. Their Northeastern colleagues explained that the president had used a regional expression referring to the biological fact that some boys are born with inflamed, oversized genitalia.

The political left gleefully seized on the phrase. At Mr. Collor's next stop, in the Amazon, protesters painted their faces purple.

Sensing a public relations crisis, the presidential spokesman made a desperate, late Saturday night call to an advertising agency here.

On Sunday morning, Mr. Collor stepped out for his jog. Tinted lilac, his shirt proclaimed, "Purple Passion for Brazil!"

A Right-to-Know Debate: How Good Is the Doctor?

By Malcolm Gladwell
Washington Post Service

WASHINGTON — Seventeen of every 100 patients who had coronary bypass surgery last year at the hands of an unnamed New York heart surgeon never left the hospital alive.

That is not considered a good record. Some of the surgeon's colleagues have mortality rates for the same operation of less than 5 per hundred.

This means that the patients of this surgeon could have cut their risk of dying on the operating table if they had been able to find a better physician.

Unfortunately, it is not as easy as that. The New York Health Department, which compiled the statistics, designated the identity only as "Dr. X."

In the past few years, researchers have shown that significant differences exist in the quality of care offered by individual doctors in everything from complicated procedures to delivering babies.

Consumer advocacy groups have urged that patients be given information about the performance records of physicians. How much to reveal has proven difficult and controversial, however.

Dr. X's statistics, for example, were said to have been adjusted to account for the possibility that his or her patients were generally sicker than the patients of his or her peers. That adjustment is only an estimate.

The statistics do not indicate whether the physician is incompetent or simply inexperienced, in which case there may be improvement with time. Nor do they make clear whether he or she is entirely at fault or plagued by incompetent nurses, poor anesthesiologists or a badly run hospital.

Is it really fair, in other words, to reduce complicated surgery like coronary bypass to one statistic?

"I think it's important for patients to have enough information about their doctors to be comfortable," said Nancy Dickey, a board member of the American Medical Association. "But at this point we're not in a position to suggest that there are magic numbers that can be plugged into a formula. It is inappropriate to mislead patients into believing that there are quick and easy answers to their questions."

Howard Hiatt, a researcher at Harvard University's School of Public Health, said: "I think ultimately we are headed toward a full disclosure situation. But unless this kind of information is handled with great care and a lot of understanding, to have it leak out can be very, very unfortunate."

The push to collect and release quality-of-care statistics has come, in part, from health insurers.

In the late 1980s the Department of Health and Human Services began listing mortality rates of every U.S. hospital for Medicare patients undergoing any of nine common procedures or suffering any of eight common medical conditions.

Other states, including New York, followed suit with targeted studies of expensive procedures, and some private insurers have tried to measure differences in quality among doctors.

Consumer advocates have argued that patients should at least be informed about whether their physician has ever been penalized or disciplined.

"There is no one — short of a spouse, lover or family — with whom a patient will have a more intimate relationship with than a physician," said Dr. Sidney M. Wolfe, who has been in the forefront of the patient's right-to-know movement for 20 years. He is director of the Health Research Group.

Mr. Wolfe and others argue that there is a range of clinical data about physician effectiveness that would be easy to collect and of great relevance.

In generating statistics for bypass surgery, New York took the medical records from every operation performed by each heart surgeon in the previous year and estimated, based on an analysis of how sick each patient was, how many of those patients should have survived a bypass if their surgeon had been fully competent.

Another possibility is information on the percentage of deliveries that an obstetrician performs as cesarean sections. Approximately 25 percent of all U.S. babies are delivered by cesarean section, yet according to the Health Research Group, if such procedures were only performed when absolutely necessary, the national rate would drop to around 12 percent.

In medicine, practice makes perfect. Studies have shown that for cardiac bypass, intestinal operations, total hip replacement, cardiac catheterization, abdominal aortic aneurysm and biliary tract surgery, the more procedures a surgical team or a hospital perform, the greater the success rate.

"Historically, physicians have been relatively unquestioned in terms of their intent and competence, and all of us would have preferred it to remain that way," said Shelia Leatherman, who leads a study group at the Rand consortium that is collecting information to evaluate doctors and hospitals.

"But with the kind of data that is hitting the newspapers, that kind of innocence is basically no longer intact," she added.

Many medical experts ask, however, how much patients really want to know.

"Healing involves a certain kind of magic," said Arthur Caplan, director of the Center for Biomedical Ethics at the University of Minnesota. "Patients tend to want to trust their doctors. I'm not sure that every patient really wants that information on kidney transplant or bypass. They want to hope and believe that their doctor is infallible."

"Americans are so much into numbers," said John LaPuma, director of the center for clinical ethics at Lutheran Hospital in Chicago.

"Even wine is rated from 1 to 100 these days. It has a kind of simplistic appeal. But there are too many corners you have to cut to represent quality in one number."

After 'Good Sign,' Aquino Expects U.S. Bases Pact

United Press International

MANILA — President Corazon C. Aquino said Monday that a "good sign" from the United States pointed to an agreement soon on an extension of U.S. base rights.

"We are presently working out with the United States a package that will be acceptable to both countries, more importantly one that will be acceptable to our Senate and to the Filipino people," she said. "Recent moves coming from the U.S. side give us a good sign that there will be some agreement quite soon."

Executive Secretary Oscar Orbos, who represented the Philippines in India during the funeral of Rajiv Gandhi on Friday, said that he met with Vice President Dan Quayle for 10 minutes in New Delhi.

He said Mr. Quayle had expressed a desire to have an agreement soon because the Bush administration has to start its budget process in Congress. He said Mr. Quayle reiterated the U.S. proposal for a "reasonable" extension of the lease so Washington could invest in the bases.

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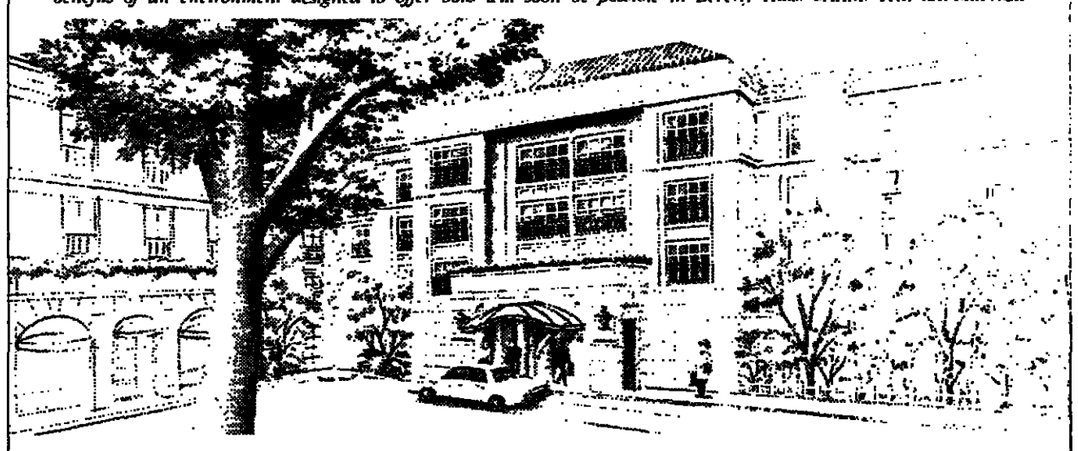

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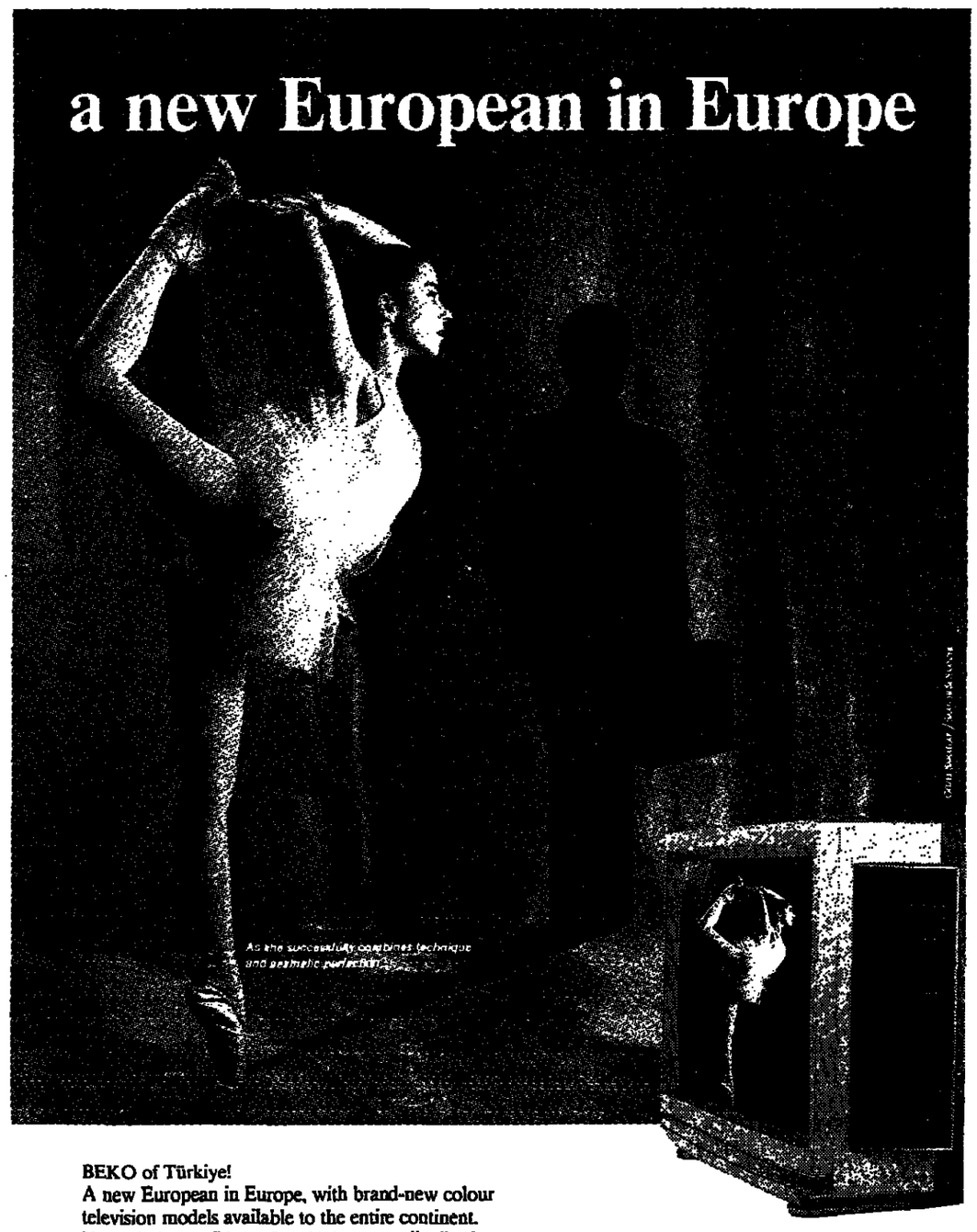

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Herald INTERNATIONAL Tribune
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OPINION

Hide-and-Seek in Iraq

On their first swing into postwar Iraq last week, the United Nations' inspectors seem to have located most and perhaps all of Iraq's uranium. While it is a small amount, it is highly enriched and capable of being fabricated into one or two nuclear bombs. There had been a good deal of anxiety about where it might have been taken and the uses to which it might have been put. Happily, there are no signs that it has been diverted to any purpose other than its stated one of scientific research.

So far so good. But of all the unconventional weapons and components that the UN inspectors are seeking, the uranium is the easiest to deal with. It is a known amount, radioactive and not terribly easy to conceal. In contrast, the missiles are very mobile. The stocks of chemical weapons are huge, and destroying them is going to be a long and complex undertaking. The biological weapons are going to be the hardest of all to find. The Iraqis say that they haven't got any. Other countries, including the United States, believe that they do possess them. Hunting them down is going to be an intricate piece of detective work that involves tracking certain kinds of equipment sold to Iraq by foreign companies and seeing whether it is in fact being used for pharmaceutical production and medical research as the buyers originally claimed. Even a small cache of biological weapons could do horrifying damage.

How long is it going to take the United Nations' Special Commission on Iraq to assure itself that it has found all of Iraq's stocks of these forbidden weapons and has them all under its control? Rolf Ekeus, the Swedish diplomat and arms control specialist who heads the commission, believes that with the full cooperation of the Iraqis it could be done in several months. Until the commission is satisfied that all of these weapons are in its hands and the actual destruction of the chemical and biological weapons has begun, the allies will continue their embargo of Iraqi oil. Since Iraq is desperate for imported goods that it can buy only with oil, it has a powerful incentive to cooperate.

Incentive or not, the allies are not inclined to leave any part of this process to trust and good faith. It would be risky but not unusual for a government, even under this kind of duress, to try to outsmart the inspectors and conceal enough of a stockpile to give it the upper hand in some later collision with its enemies. A great game of hide-and-seek, played for deadly stakes, is now beginning. But if the UN commission is successful in Iraq, it will set a powerful precedent for effective and reliable disarmament, and not only in the Middle East.

— THE WASHINGTON POST.

De Klerk Can Do More

It takes nothing from the prior achievements of President F. W. de Klerk to say that he has responded limply to the spiraling violence in South Africa's black townships. His government waited until last week to ban the carrying of spears and other "traditional" weapons that have contributed to the loss of nearly a thousand lives this year. And the prohibition applies only to the Johannesburg area, not to Natal, homeland of the Zulus who have instigated much of the violence.

Until the violence ebbs, there can be little progress toward Mr. de Klerk's professed goal of replacing a white-ruled political system with multiracial democracy. The president's chief negotiating partner is Nelson Mandela, leader of the African National Congress, who has put constitutional talks on hold and angrily boycotted a conference on violence that began Friday. Mr. Mandela faults security police for failing to halt an incipient civil war between supporters of the ANC and the rival Inkatha movement led by the Zulu chief Mangosuthu Buthelezi, the most conservative of black leaders. Independent testimony supports charges of police partiality to the chief's warlike followers. Indeed, only two weeks ago, Pretoria's Law and Order Ministry declared that banning spears would "be seen as an insult to the whole Zulu nation."

The government has wisely backed down from this peculiar policy. It has also banned male-only hostels for Zulu workers, a source of recurrent disorder. And on May 11, security forces defended black squatters on unused land, turning their guns on armed white farmers — the first shots aimed at South African whites by security forces since 1922. Thus a change in police practices is obviously possible.

Mr. de Klerk himself has shown the way, first by dismantling the repressive State Security Council and shifting power to civilians. He has also lifted emergency rule, ordered security forces to act in a nonpolitical manner and instituted a landmark inquiry into an incident in which police shot 84 demonstrators in the back.

The danger is that Mr. de Klerk may feel he has done enough to placate critics abroad and ride out Mr. Mandela's protests — especially given the latter's preoccupation with a separate controversy involving Winnie Mandela's conviction as accessory to an ugly kidnapping. Mr. Mandela says his wife's appeal is a matter for the courts; assuring police evenhandedness is a matter for President de Klerk.

Americans can make a difference by reminding Mr. de Klerk that black violence is not just a law-and-order matter, that it arises from the despair, poverty and frustration of millions of people consigned to a purgatory shaped by apartheid. And the Bush administration, lavish in its praise of Mr. de Klerk, could usefully end its silence on police culpability for township violence.

— THE NEW YORK TIMES.

Progress in Argentina

Argentina's president, Carlos Saúl Menem, wants the world to invest in Argentina. His government, he proclaims, is committed to turning around a 60-year legacy of coups, hyperinflation and government favoritism. Mr. Menem's performance at first undermined his ambitions, but now a revised administration has begun to earn credibility.

As 1991 began, Argentina's fortunes seemed near rock bottom. Mr. Menem's efforts to win army loyalty by pardoning human rights crimes failed to prevent a bloody, unsuccessful military revolt. Despite seven emergency economic programs in 20 months, inflation remained untamed and the currency remained vulnerable to damaging runs. U.S. Ambassador Terence Todman denounced official extortion of bribes from American businesses. Mr. Menem exchanged noisy corruption charges with his estranged in-laws, and he flaunted a red Ferrari given to him by Italian investors considering a hotel project.

In January, however, he shifted Domingo Cavallo, an independent economist, from foreign minister to economic policy chief. Mr. Cavallo committed the government to live within its fiscal means. Budgets would be kept in surplus, tax laws strictly enforced, printing of unbacked money prohibited and the currency tied to the dollar. So far it has worked brilliantly. Inflation has dropped from triple to double digits and continues to fall. Interest rates have fallen from 200 percent to 10. Confidence and production have revived. But to sustain these gains, the Menem government will have to accomplish what its predecessors could not: cut spending and raise tax collections sharply.

Scandals still erupt. Wealthy Argentinians sneak luxury cars into the country; the air force pursues an out-of-control missile project once funded by Iraq. For a welcome change, these scandals are no longer laughed off. The car importers are being prosecuted, along with some notorious Menem in-laws. And the president is struggling to rein in the renegade missile program. Argentine governments are notoriously fickle about tough economic plans, but if Mr. Cavallo's efforts persist, Washington can consider more substantial forms of encouragement.

— THE NEW YORK TIMES.

No to Vicious Dogs

Unlike the United States, Britain has a direct way of dealing with the public menace of vicious attack dogs: The government plans to eliminate them from British soil. Shocked and outraged by 125 attacks by pit bulls during the past year, including the recent mauling of a 6-year-old girl in which her ribs were shattered, a lung was lacerated and her back was bitten 25 times, the British government announced a ban on the import of what are officially called Very Dangerous Fighting Dogs. That takes in breeds such as the American pit bull terrier and the Japanese tosa.

The ban is only the beginning. Dangerous breeds already in Britain will be sterilized to prevent the birth of another generation of four-legged terrorizers. Even neutered beasts will find that they have worn out their welcome. Owners will be encouraged to return them to their countries of origin. If these measures do not work, the animals will be destroyed. In the case of the American pit bull, that comes to about 10,000 dogs.

All this stands in sharp contrast to the way the matter is handled in the United States, despite millions of assaults from all sorts of dogs each year. Americans spend billions of dollars annually on the care and feeding of dogs but cannot seem to effectively control the vicious ones that attack. In 1988 at a District of Columbia Council hearing on the strengthening of dog-bite laws, one member, in an attempt to shield a dangerous breed, insisted that dogs were covered by the equal protection clause of the U.S. Constitution.

There are as many animal control laws nationwide as there are breeds of dogs. The pit bull, which last year killed eight Americans, eludes effective control in part because of the crazy quilt of animal control laws. While the problem may not rise to the level of federal concern, the control of Very Dangerous Fighting Dogs in the United States deserves serious attention.

— THE WASHINGTON POST.

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Ethiopia: Prospects for Recovery Could Be Good

By Paul B. Henze

WASHINGTON — Mengistu Haile Mariam hardly deserves a comfortable retirement in exile. Through oppression, famine and war, he has been responsible for the deaths of hundreds of thousands of his countrymen. He has inflicted economic and social damage that will take years to repair.

Nevertheless, if a government of national reconciliation can be formed to oversee democratization and reconstruction, prospects for rapid recovery in Ethiopia are good.

This may seem a surprising prediction, given the country's current state. But Ethiopia, heir to more than 2,000 years of civilization, is one of the best endowed countries in Africa.

- Within a few years, with intelligent agricultural policies and good leadership, it can transform itself from a land of famine to one that exports food. Much depends on the responsibility that the insurgent leaders display as they move to share power with the country's constructive elements. Initial declarations are promising.
- Some institutions have survived socialism intact: the power, telecommunications and highway authorities and Ethiopian Airlines. The last is one of the best airlines in the Third World and the only profitable Ethiopian enterprise in recent years.
- There is an educated elite and entrepreneurial class that knows what technological progress and private enterprise entail.
- Farmers will produce if they have incentives to grow and sell.
- The new leaders can learn from the experiences of the new democracies of Eastern Europe and from the failures of reform in the Soviet Union.
- Ethiopians work comfortably with Americans and Europeans.

Discreet but steady U.S. diplomatic efforts facilitated Colonel Mengistu's abdication. Washington has also gradually developed relationships with the two main insurgent groups, both originally Marxist. The leaders of the Eritrean and Tigre rebels, more mindful than Colonel Mengistu of the changes in the world, assert that they have no intention of prolonging authoritarian rule and that they support a free market economy.

In 1974, after Haile Selassie was deposed, it was Colonel Mengistu who turned a peaceful revolution into an endless bloodbath. Hostile to the United States from the beginning, he was more eager to jump into the Soviets' lap than they were to have him.

Moscow would have preferred a civilian with real Marxist credentials, but it also wanted a foothold in Ethiopia and wanted the Americans out. The Russians manipulated the situation cleverly, providing Somalia with arms to attack Ethiopia, and then coming to Ethiopia's rescue with more arms and 18,000 Cuban troops. The Soviets poured more than $12 billion into Ethiopia between 1977 and 1990. Today, Moscow's aid has dwindled to a trickle.

No country stands as high in Ethiopian expectations today as the United States. Every Ethiopian knows that America has saved him from the worst ravages of famine. The Americans even get much credit that should go to the Europeans and Canadians, who have maintained modest development programs in spite of Colonel Mengistu's harassment.

The United States has great opportunities in Ethiopia: to nurture democracy, to help carry out rational development policies, to encourage private enterprise and foreign investment, and above all to help ensure protection of human rights.

America, officially and privately, has been generous with famine relief and other humanitarian aid, but such assistance has often been seen as an end in itself. A new approach is needed. Relief should be part of a strategy aimed at reconstructing Ethiopians' lives as well as easing hunger. Fortunately, the U.S. Congress is already discussing several initiatives.

The timely cooperation of the White House, the State Department and Congress will ensure more effective support for Ethiopia. Huge sums are less important than intelligent planning and implementation.

The tens of thousands of Ethiopians in exile in the United States, Canada and Europe include many men and women with advanced skills and knowledge that can now be applied to rebuilding their country. They will return only if the freedoms they have become accustomed to in the West are reasonably ensured in the new Ethiopia.

The writer, a specialist on Ethiopia for the Rand Corporation and author of "The Horn of Africa: From War to Peace," contributed this comment to The International Herald Tribune.

Japan: The Reasons for Success Can Be Simple

By Charles Wolf Jr.

SANTA MONICA, California — Six and a half centuries ago, an English cleric, William of Ockham, proposed a fundamental principle to guide philosophic inquiry. It stipulates that simple explanations should be preferred to complex ones and that complexities should be introduced only when simple explanations prove inadequate. This principle, known as Ockham's razor, is also helpful in nonphilosophical realms.

Specifically, it can be applied to answer questions about the performance and competitiveness of the Japanese economy: its relatively rapid growth, its aggressive development of high-technology industry, its large and continuing export surpluses and the economic threat it is said to pose to other countries' competitiveness.

All of these issues can be understood and accounted for by simple explanations, without recourse to the more complex ones invoked by commentators like Chalmers Johnson, Karel van Wolferen, James Fallows, Clyde Prestowitz and Pat Choate, who stridently criticize Japanese policy and urge the adoption of a countervailing American one.

The targets of their criticism include Japan's industrial policy, the prevalence of collusive Japanese business practices, "keiretsu" industrial organizations, trade barriers, discriminatory regulatory and contractual practices, even Japanese culture and society.

There is some validity in such criticism, but most of the explanation for Japan's formidable record and challenge lies in four simple factors, some of which are likely to be transitory:

- *Investment.* Japan's rate of aggregate domestic investment averaged about 24 percent of GNP in the late 1980s, compared with 16 percent in the United States.
- *Savings.* Japan's domestic savings averaged 28 percent of GNP in the late 1980s compared with only 13 or 14 percent in the United States.
- *Labor.* Japan's work force is highly disciplined, trained, industrious and literate.
- *Management.* Japanese managers are energetic, competent and experienced, and through domestic and international competition they learned to strive continually to raise product quality and cut production costs.

The high domestic investment accounts for nearly all of the difference in average annual growth rates — about 2 or 3 percentage points — between Japan and the United States. It also largely explains Japan's strong performance in sectors — automobiles, consumer electronics and semiconductors — that are capital intensive and heavily reliant on research and development.

Investment and savings, taken together, account for Japan's persistent trade surpluses (explained by the excess of Japan's savings over its investment) and for the persistent trade deficits of the United States (explained by the excess of American investment over its savings).

Japan's labor and management account for its rapid growth of productivity — although this is more debatable than the preceding inferences.

But in the next five years, Japan's savings rate is likely to fall somewhat as a result of rising consumer demand and a population whose proportion of elderly people is increasing more rapidly than that of the United States and other industrialized countries.

Japan's investment rate may also decrease, as a result of tighter capital markets and a reallocation of resources from the private to the public sector. Its productivity growth will probably also decrease over this period.

It is hard for the United States to raise its savings rate, but tax policies provide one means of doing so, perhaps by allowing for partial deductibility of interest income while reducing the tax deductibility of interest payments. If America wants to raise its investment rate, reducing capital gains taxes would also be warranted.

These comments do not invalidate complaints and criticism concerning Japan. Nor do they mean that the United States should forgo applying strong and persistent pressure, through Super 301 (which allows sanctions to be imposed against countries found to have had unfair trading practices) and other means, to level Japan's economic "playing field."

It is inappropriate and aggravating that Japanese restrictions impede efforts by U.S. companies to establish manufacturing plants in Osaka or Nagoya, or that restrictions prevent foreign firms from trading on the Tokyo stock exchange, or that U.S. engineering and construction firms should face obstacles in submitting bids and being judged in contract awards.

And it is anachronistic for the Japanese to cite "food security" to justify opposition to agricultural trade liberalization.

Persistence of these practices is galling to the American public and to Congress, demeans Japan's international standing and harms the relationship between the United States and Japan.

But application of Ockham's razor suggests that such objectionable practices probably account for a very small part of Japan's impressive economic accomplishments and its prominent position in the world economy.

What this suggests for the United States are policies at home that encourage savings and investment, and policies toward Japan that discourage its mercantilist anachronisms.

The writer is dean of the Rand Graduate School and director of Rand's research in international economics. He contributed this comment to The New York Times.

Norway: Gorbachev Could Be Helped to Be Helpful

By John C. Ausland

OSLO — With any luck, Mikhail Gorbachev will come to Norway on June 5. His purpose will be to give a speech, an obligation placed on all recipients of the Nobel Peace Prize. He will presumably speak about global problems and make at least one headline-grabbing proposal.

The Norwegian government hopes to use the opportunity to make progress on the dividing line in the Barents Sea. Mr. Gorbachev will also hear about anxieties regarding what is happening on Norway's northern doorstep. Ironically, since the end of the Cold War these have been increasing rather than decreasing.

As officials busily prepare for the visit, there are two uncertainties: whether the Norwegians have their priorities straight, and the extent to which it lies in Mr. Gorbachev's power to be helpful.

If he wants to please his hosts, he will bring a generous proposal regarding the dividing line in the Barents Sea. But since neither the Soviets nor the Norwegians are ready to drill for oil in the disputed area, it is not obvious why the Norwegians give this issue such high priority. Besides, Mr. Gorbachev has enough trouble with his admirals without fiddling with the playground for most of their strategic nuclear submarines.

Norwegian officials, talking about the Gorbachev visit, invariably start out with the dividing line. Only later in the conversation do they get around to the serious environmental problems on the Kola Peninsula.

Some Norwegians and Finns have long been concerned about emissions from factories on the peninsula. When I last visited Finnmark, Brigadier Inge A. Torhaug, the border commissioner, took me to a hill near the Soviet border with a clear view of smokestacks in Nikel belching sulfur dioxide. During the 1980s those emissions increased alarmingly. When the wind is from the east, the poison falls on Norway and Finland. The consequences for nature and health are destructive.

There is considerable handwringing about this, but little movement. Cleaning up the peninsula will be expensive. The Soviets plead penury, and thus far the Nordic countries have shown more interest in getting contracts than in helping finance this operation.

After Chernobyl, people are also disturbed about the high concentration of nuclear weapons on the peninsula. This concern is not limited to fear of an explosion. People worry about the growing deposits of nuclear waste. Anxiety escalated when the Soviets, for domestic political reasons, decided to move their nuclear testing to the islands of Novaya Zemlya. If people somehow get the idea that fish have become contaminated, the troubled Norwegian fishing industry will have even more serious problems.

The Soviets are showing signs of wanting to take Nordic concerns into account. They are making some information available about pollution on the Kola Peninsula and have conceded that it should be reduced. And they have agreed to a Nordic delegation's visit to Novaya Zemlya to see the nuclear test facilities.

There will not be much time to discuss these problems during the Gorbachev visit. His official talks with Prime Minister Gro Harlem Brundtland will be limited to two hours. With time for interpreting, this means that each can speak only about 30 minutes.

Although Norwegians do not lie awake nights worrying about a Soviet attack, Defense Minister Johan Jorgen Holst has been complaining publicly about the way the Soviets continue to upgrade their forces on the Kola Peninsula. Norwegians do not protest about the strategic nuclear submarines based in the Murmansk area, although they would be happy to see a START agreement reduce them. Their concern focuses on the amphibious and *Spetsnaz* (special forces) units oriented toward Norway. The Soviets also have short-range nuclear weapons that could be used only against the Nordic countries.

Given the sacrifices he has already asked of his military, it would be hard for Mr. Gorbachev to ask it to do away with these offensive forces. If, however, he wants to convince the average Norwegian that he really deserves his peace prize, one day he should do this. He should also spend less money on strategic nuclear weapons that no sane leader would ever use, and devote it to cleaning up the mess on the Kola Peninsula.

Assuming that he does not bring a generous proposal regarding the dividing line, the Norwegian government would do well to relax until the Soviets indicate that they are in a mood to make a deal, and officials should concentrate on today's problems, which arise out of the poisonous products of industrial and military installations on the Kola Peninsula. If it really wants to do something about this, the Brundtland government would ante up a large hunk of its oil money.

International Herald Tribune

The Leader Could Show The Way

By Anthony Lewis

NEW YORK — "The freedom to think and speak one's mind," George Bush said recently, "may be the most fundamental and deeply revered of all our liberties."

Mr. Bush used a commencement address at the University of Michigan to warn that freedom of speech is threatened. "Ironically on the 200th anniversary of our Bill of Rights," he said, "we find free speech under assault throughout the United States, including on some college campuses."

The phenomenon that the president especially criticized was the attempt to suppress, on American campuses, speech that is not "politically correct." That is, speech regarded as racist or sexist or offensive in some other way to this group or that.

The repressive trend at universities seems to me a serious threat to the American tradition of uninhibited speech. It is a threat from the political far left, unlike the usual right-wing attempts at suppression in American history but similar in its fear and intolerance. And universities, of all places, should live by the light of freedom.

Criticizing those who censor in the name of the community's political good was therefore a fair use of the presidential pulpit. But there was a difficulty with that message coming from Mr. Bush. He has himself given aid and comfort to the enemies of the American free-speech tradition.

For 200 years, the Bill of Rights — the first 10 amendments to the Constitution — has stood as an unchanging guardian of Americans' liberty.

The president called on Americans 'to conquer bigotry once and for all.'

But two years ago Mr. Bush called for a change, pressing it as the most urgent issue of the day. It was his proposed constitutional amendment to permit the punishment of anyone who desecrates the American flag.

When the Supreme Court held in 1989 that burning the flag as a political protest was expression protected by the First Amendment, Mr. Bush demanded an immediate limitation on the Bill of Rights. Senator Gordon Humphrey, a conservative who was retiring, called the whole fuss "an exercise in silliness ... a bit of hypocrisy." Happily, Congress did not approve a constitutional amendment.

The episode showed that Mr. Bush cared more about politics than the Constitution. But then, he had already shown that in the 1988 campaign.

Mr. Bush denounced his opponent in that campaign, Michael Dukakis, as "a card-carrying member of the American Civil Liberties Union." Pleasing conservatives mattered more to him than the cost to the American system of smearing the most stalwart defender of the Bill of Rights.

Another Bush "issue" in 1988 was the Pledge of Allegiance. He attacked Mr. Dukakis for vetoing a bill that would have branded teachers as criminals if they did not force their students to recite the Pledge of Allegiance — an act that the Supreme Court had held unconstitutional.

If Mr. Bush wants some guidance on the meaning of free speech, he might look to his alma mater, Yale. Its president, Benno C. Schmidt Jr., gave a speech in March that eloquently laid out why the path of wisdom, difficult as it may seem, is freedom for the thought that people hate.

In his Michigan speech, Mr. Bush also called on Americans "to conquer bigotry once and for all." He deplored the fact that, as he put it, "political extremists roam the land, abusing the privilege of free speech, setting citizens against one another on the basis of their class or race."

The outstanding example of using race as a political tactic in recent years came in 1988. The Bush campaign focused on Willie Horton, a black Massachusetts convict who was released on furlough and raped a white woman. Lee Atwater, the Bush campaign manager, apologized for that tactic before he died this year. Mr. Bush has not apologized.

Race is shaping up as a major Bush weapon for 1992, too. The White House is depicting a civil rights bill pending in Congress as a measure to make business hire by quota, although the bill explicitly prohibits quotas.

"Let us fight back against the boring politics of division and decision," Mr. Bush told the University of Michigan. No one is better equipped to do that than the president of the United States. He would have to do it by setting an example himself.

The New York Times

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Paris via Siberia

PARIS — On Sunday [May 24], the Czarewitch laid the first rail of the new railway which is to connect St. Petersburg with Vladivostock on the Pacific. This announcement is of decided interest to Americans, for it is a long step towards that not very distant day when it will be possible to travel by rail from New York to Paris without changing cars. Engineers have declared that it is perfectly feasible to build a branch road from Vancouver to Behring's Straits. When this is done, and another branch road connects Vladivostock with Kamschatka, trains can be ferried across the 30 miles that divide the continents, and the traveler can reach Paris in the same Pullman car in which he left New York.

1916: U.S. Surplus Gold

WASHINGTON — The favorable trade balance of April is $86,543,000. For the ten months of the financial year the balance is $678,700,000. The gold imports of the ten months of the financial year were $343,900,000, while exports for the same period were $70,000,000.

1941: Fitness Problem

WASHINGTON — [From our New York edition]: The physical condition of the youth of the land is a "danger-ous" one of which "we nationally should be thoroughly ashamed," Brig. Gen. Lewis B. Hershey, deputy director of selective service, warned the National Nutrition Conference for Defense today [May 28]. He suggested that half of the men rejected for selective service because of physical deficiencies should be inducted into the services anyway, so that they may "become rehabilitated physically and mentally and take their places in combat units." He called the attention of the 900 nutrition experts present to the fact that 380,000 registrants for military service have been found unfit for general duty out of 1,000,000 receiving physical examinations.

OPINION

Tune In to What Might Be On the Mind of King Fahd

By William Safire

THE AMERICANS have proven themselves to be loyal friends of my family and my kingdom, but I fear they will never understand us.

They act as if the problem of the Palestinians is high on our list of concerns. Why? Of course I must show public respect to my Arab brethren, and side with them against the Jews, but we have seen that the interests of the PLO are not my interests.

An example. On February 4 of this year by the Western calendar, halfway between the beginning of the air war and the start of the ground war, terrorists attacked a minibus in the streets of Jidda. One of my subjects and two American soldiers were injured from the glass shattered by the bullets.

I directed Majid, emir of Jidda, to find out who was responsible, because the world expected Saddam Hussein, may his name be erased from all monuments, to respond to the coalition air attack.

The emir called in his good friend, Afif Masoud, Fatah's leader in Jidda, to find out who fired the gun at the Americans and at whose behest.

After interrogation, the PLO leader, who likes to go by the name of Jihad al-Yahudi, confessed that he had sent his men — one an employee of the Palestinian embassy in Riyadh — to kill a couple of Americans on the direct orders of Yasser Arafat.

The Americans wanted to make public the news of this attack on their men, but we knew better. Instead, we sent word to Arafat's Fatah that if one more attack took place, we would do the same to the Palestinians who live in the kingdom as we were doing to the Yemenis who worked and lived here: deport them en masse.

The Yemeni lesson was a severe one. Yemen had supported Saddam's war against us; in return, we stopped treating Yemenis resident in our Kingdom with the same respect as our own subjects. As a result, a third of our two million Yemenis (not a half — that is an exaggeration by the few Westerners who noticed) found it necessary to leave. They will not return; the work they did will be done by Saudis, Egyptians, Pakistanis and Moroccans.

It was not a formal expulsion, of course; the 700,000 Yemenis left because they could no longer work and would otherwise starve. We were prepared to do the same with the Palestinians, and the blame would have fallen on Arafat.

My friends the Americans still wonder why there were no more terrorist attacks, especially on the vulnerable loading docks at Dhahran. The reason was that we know how to deal with the Palestinians.

Secretary of State Baker is afflicted with the notion that our diplomatic position about the Palestinian question is our real position. I much prefer to deal on more important matters with General Scowcroft, who President Bush sent to me last month as his personal envoy, and who we remember was much more realistic about Saddam than Mr. Baker.

The secretary of state wants me to persuade Syria to let Hussein of Jordan lead the Palestinians at the peace conference. All along, the king has been explaining that his support of Saddam helped him "build credibility" with the Palestinians. O.K., now he built it — let him deliver.

The secretary spends a few hours in Damascus and runs, but General Scowcroft knows that Mr. Kissinger spent 33 days with Assad to get some movement. And Mr. Baker asks me to announce an end to the boycott and publicly end our refusal to honor passports that contain evidence of trips to Israel. He should know that this is not the way such things are done.

One day, one company doing Israeli business will quietly get a Saudi contract; another will not. One day, a congressman who voted with the president to join the defense of Saudi Arabia will find his passport stamped and the page with the Israeli stamp ignored; another will be turned away. We will change our policy while denying that our policy is changed; that is the way of the Middle East.

I am more concerned with stability within the kingdom than with peace outside. During the war, 250,000 Kuwaitis were scattered among our families, telling terrible stories of murder and dishonor by our Arab brethren; Saudis know they need America's protection. We can work out ways to pay for it.

Steady persuasion, perhaps a full-time envoy with an understanding of our ways — this may lead to a partial answer to the mass-destruction issue, the Israeli question, the Palestinians. If only the impatient Americans understood us.

The New York Times.

Correction

In "Yugoslavia's Collapse Is Not Unavoidable" (May 25), by Flora Lewis, two passages were altered in transmission. They should read:

Croatia and Slovenia want out, as if "out" were a place to go. They delude themselves that leaving Yugoslavia would mean being taken in by the prospering, stable parts of Europe ...

Frantic efforts are being made to elicit international support and recognition for Croatian and Slovenian independence, but there is a unique international consensus against a breakup. There is no such support, but neither is there a prospect for a purely internal solution.

Look, the Future Is Yours, Until It's Someone Else's

By Jim Hoagland

COLUMBIA, South Carolina — In Greek mythology, Zeus condemned Tantalus to a fiendish fate. Placed in a pool of water up to his chin, Tantalus stood just below fruit-bearing boughs that receded whenever he tried to eat. Today, Zeus frequently takes the form of the college commencement speaker. The future lies before you, the speaker tells the graduates, pushing it just out of reach with each new ponderous sentence.

Only in late spring in America do so many listen to so few about so little for so long (after having paid so much). Tis the season to be enduring. An annual windstorm sweeps across campuses like the monsoon rolling over Bengal.

All ritual has hidden purpose. The very name of the exercise, with its emphasis on commencing, belies a moment that is the end of college. Where the hidden meaning of the commencement speech ritual lies became clear to me when I agreed this year to give one, at my alma mater, the University of South Carolina.

On the surface, the commencement speech is a vehicle to celebrate the accomplishment of the graduates-to-be. It is seemingly a moment for a certified graybeard to pass on a silver bullet of wisdom to eager, fresh minds. In fact, commencement addresses are designed to enlighten not the youths about to get their well-merited degrees, but the graybeards who make them.

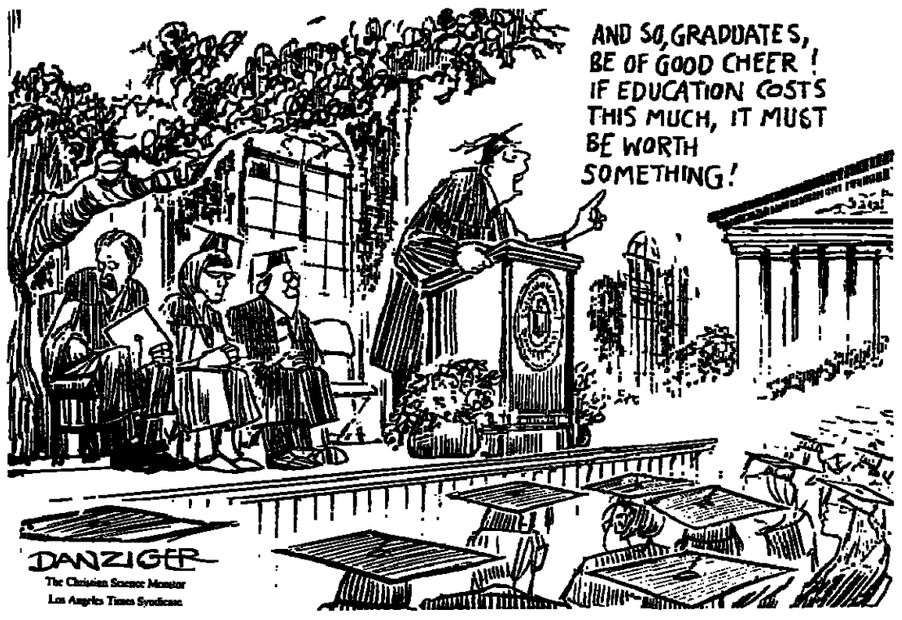
This is a speech that forces you to take stock of what your generation has accomplished and what it leaves to be done. It is time to tell yourself as well as others that the Cold War is over, Bob Dylan is 50 years old and gum surgery is a force whose time has come.

An informal sampling of opinion persuaded me that today's graduates would already know about the Cold War having ended on our watch, and would not have given much thought recently to Bob Dylan or gum surgery, for different but sufficient reasons.

Inescapably the topic of any commencement speech is change — personal, institutional, national and/or global. I was to speak at the USC graduate schools' commencement ceremony, which awarded 70 degrees in 1961 and 1,470 this year. No longer the poor, rural and intolerant state that I grew up in, South Carolina had become in the past 30 years a far more open and dynamic environment.

The state is now an active and successful seeker of foreign investment rather than a citadel of states' rights and isolation. The university's new international business graduate school has been ranked number one nationally for two consecutive years in one survey. On campus this year, I heard German, French, Dutch and other foreign languages as students who had crossed oceans to study here spoke among themselves.

The USC graduation weekend itself was a living tableau of that momentous change. It also proved, in case there were any doubts, that God has a sense of humor, or at least a taste for irony.



The other main speaker at graduation was Hans-Dietrich Genscher, Germany's foreign minister and the most peripatetic, enduring Western political leader of his generation. He has been foreign minister and a major actor on the world scene since 1974.

Mr. Genscher is also a man with a sharp memory. He clearly had not forgotten an unflattering column I wrote about him three years ago. Civil but cool, he seemed as amazed as I was that the celestial pranksters of happenstance had brought us together for this ceremony.

Also taking part in the ceremony was Shelby Foote, the preeminent historian of the South and the Civil War. As eloquent and elegant in person as he was in giving shape to the magnificent public television series on the Civil War, Mr. Foote is as actively at work on the past of his native region, as Mr. Genscher is on the future and the new world order.

Those old Greek mythmakers would have been pleased. Mr. Foote, the conceptualizer of the regional past, and Mr. Genscher, a handy symbol of an international future, personified the transformation that the university itself has undergone and which I chose to speak about. The graduates listened, perhaps with all the rapture they would have accorded a car alarm going off at 3 A.M. But they listened; therefore I was.

The commencement speech is a blunt instrument, more useful in pounding new thoughts into old heads than the other way around. For each new class of graduates, 30 minutes and one speaker away from their degrees, change is the only constant. They march into a future that lies before them. And it always will, every year in graduation season.

The Washington Post.

LETTERS TO THE EDITOR

Chernobyl's Legacy

Recently came the fifth "celebration" of Chernobyl, five years since the accident. I am one of the many people who took part in coping with the consequences of the accident. My health and that of my family members is not getting better, because we have not yet received any medical attention. The economic crisis in our country does not allow us to hope for assistance.

It was not easy for us to decide to emigrate from the country where we were born and reared, where our roots will remain, but the decision has been made. Now, every extra day spent here stirs anger, pain and sadness.

MIKHAIL KHOLDENKO.
Kiev.

Senate at Gunpoint

In response to the report "House Vote Defies Gun Lobby" (May 10):

Even after the splendid if unusual House display of courage in passing the Brady gun control bill, can anyone doubt how far the measure will get in the Senate? Consider the statement of James Jay Baker, the National Rifle Association's chief lobbyist: "We're not going home. There's going to be a lot of give and take over the next several months." Experience tells us it is self-evident who will be giving, and who will be taking.

ROBERT GORDON EDWARDS.
Radda in Chianti, Italy.

A Double Tax Bill

Regarding "Not So Taxing, Really" (Letters, May 17) from Janet Gornick:

So Ms. Gornick — who, I can't help noticing, happens to live in largely untaxed Luxembourg — thinks that we double-taxed Americans living abroad are not taxed enough. If her letter had appeared on April 1, I would have assumed it was just an unfunny joke.

It is usually the essence of socialism to be generous and "compassionate" with other people's money, but Ms. Gornick rather recklessly says she is "willing to pay for" such programs as "child allowances," "maternity pay" and other such statist eyewash. I feel like sending her my Form 1040, accompanied by the words spoken by Groucho Marx to his woman dinner guest when he was presented with the bill: "My dear, this bill is outrageous — if I were you, I wouldn't pay it!"

JACK JOLIS.
Brasschaat, Belgium.

Snootiness Defined

Regarding "An American's Complaint About the Great Snooty Britons" (Meanwhile, May 14) by Katherine Stephen:

Katherine Stephen should not be too upset. The snooty Britons behave in just the same way to the natives who are not of the same class. We may resent it at times, but we don't let it worry us.

MYRTLE TERNSTROM.
London.

I have news for Ms. Stephen: "Britain" is a political term. She is writing about upper-class English people living in London, for whom the frozen and barbarous North begins at Luton, about 20 miles north of London. Britain also includes the old kingdom of Northumbria; Scotland, with a separate legal and ecclesiastical system; Wales, with a different language, and Northern Ireland, with a very different history, even if the southern English think that they run the whole show and that "Britain" is synonymous with them.

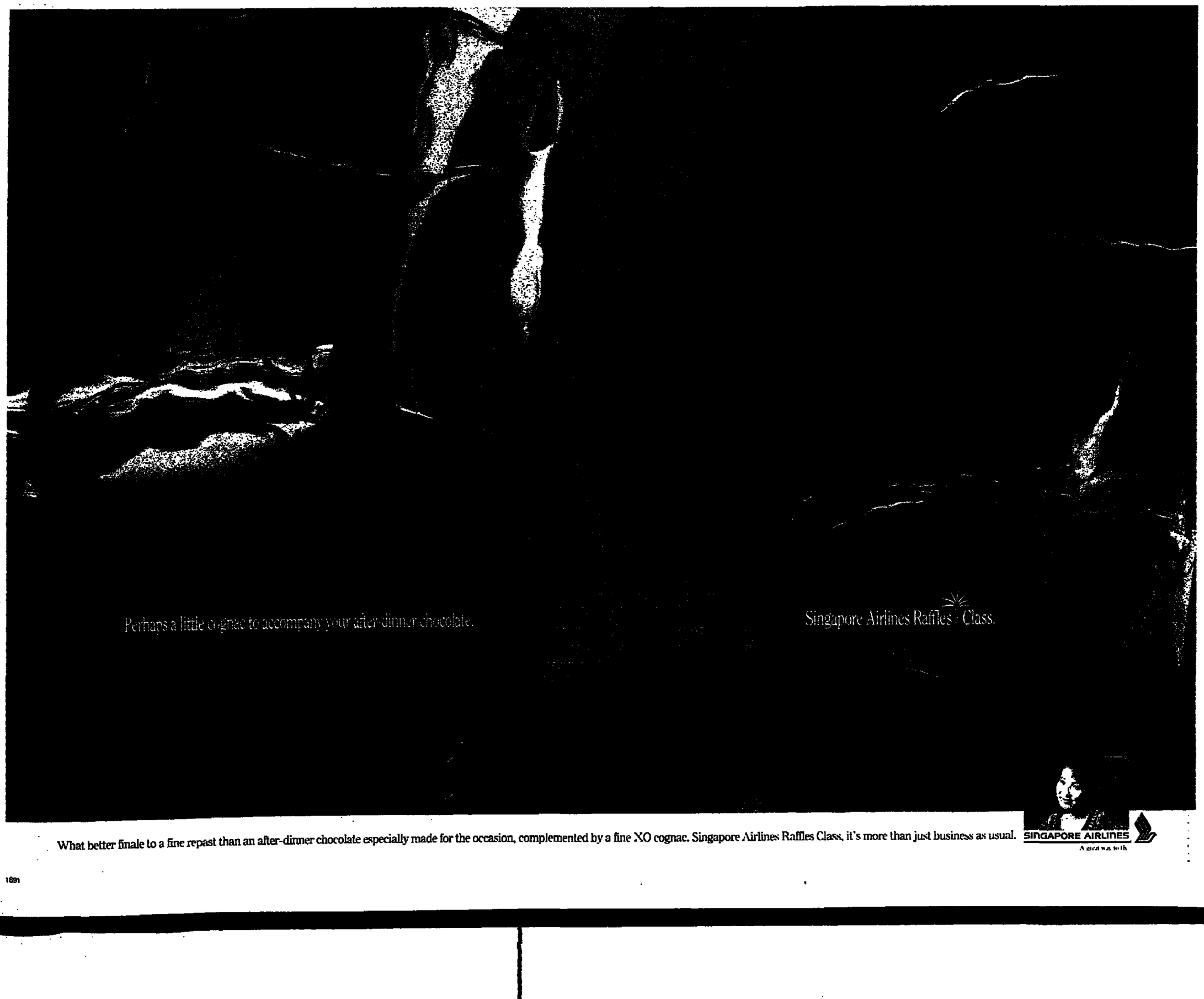
As the son of a Scottish-American marriage that took place in 1905, and the great-great-great-grandnephew of Colonel Archibald Campbell, the Highland officer who was exchanged for Ethan Allen in 1778, I know only too well the type of English "white settler" who buys land or a second home in Scotland and then expects the "natives" to conform to his way of doing everything. I find the type just as intolerable as Ms. Stephen finds the snooty Londoners.

JOHN L. CAMPBELL.
Isle of Canna, Scotland.

On C. and F.

I am anxious to find out the way to figure the temperature from centigrade to Fahrenheit and vice versa. In other words, I want to know, whenever I see the temperature designated on the centigrade thermometer, how to find out what it would be on Fahrenheit's thermometer.

OLD PHILADELPHIA LADY.
Paris.



Bush Faces Fight in Congress on Shifting College Aid to Poor

By Karen De Witt
New York Times Service

WASHINGTON — The Bush administration will submit a plan to Congress this week to increase U.S. government college tuition grants for the poor and eliminate them for about 400,000 students whose families earn more than $10,000 a year.

The proposal would begin in fiscal 1994. It already has met heavy congressional criticism.

As Congress prepares to take up the overhaul of the Higher Education Act, many members are at odds with the administration over who should benefit from U.S. aid for a college education: the poor and middle class, or only the very poor.

The chief U.S. program for undergraduates, known as Pell grants, provides $5.3 billion to 3.4 million college students, mostly from families earning under $35,000 yearly.

The administration's plan would eliminate nearly 12 percent of this eligibility.

In all, the programs provide $11.6 billion in grants and loans to 6 million students.

Although only the broad outlines of the administration's proposal have been made public, Secretary of Education Lamar Alexander told the House speaker, Thomas S. Foley, last month that a 54 percent increase in the maximum Pell grant would be sought, to $3,700 yearly.

Spending on higher education would increase to $12.6 billion in fiscal 1992 from $11 billion in 1991, but the number of students would drop from 6 million to 5.7 million.

At a House subcommittee hearing this month, Mr. Alexander said that with budget restraints, the administration preferred to focus on the poorest students to give them access to higher education.

"That's putting our money where it will do the most," Mr. Alexander said, adding that middle-income students could attend state and community colleges where yearly tuition is $2,000 or less.

Leading members of Congress said they will not go along with a plan that transforms a major part of the higher-education assistance into a poverty program.

"Mr. Joe Sixpack doesn't want to support programs that his family doesn't seem to get anything from," said Representative William D. Ford, Democrat of Michigan, who is the chairman of the House education and labor subcommittee responsible for aid to higher education. Mr. Ford's panel will hold hearings in the next several months on the reauthorization of the Higher Education Act of 1986.

Even some Republicans have been critical.

Representative Marge Roukema, Republican of New Jersey, said the administration plan would seriously erode access to higher education for middle-class students.

She added that many needy working-class students were already excluded from U.S. aid because a family home or farm was counted in the eligibility formula and its value could have increased although the family income did not.

The main purpose of the Higher Education Act is to aid college students through guaranteed loans and direct grants. Over the years, eligibility requirements have eroded the number of families who qualify.

Many lawmakers now want a package that relies less on loans and more on grants, which would keep students from being burdened with debt after graduation and would stem the default rate on student loans.

New Delhi Blames Tamil-Backed Plot

By Bernard Weinraub
New York Times Service

MADRAS, India — India's law and justice minister, Subramanian Swamy, said Monday that the killing of former Prime Minister Rajiv Gandhi was part of a "planned conspiracy" and not the act of an individual assassin.

"A lot of people were involved," Mr. Swamy said. "They had picked more than one spot. They had a fail-safe arrangement. If it didn't work here, they would have tried somewhere else. It was very well organized."

"It was not a single assassin," he added. "It was a planned conspiracy."

[Police have arrested a Tamil woman believed to be an accomplice of Mr. Gandhi's assassin, who investigators said was killed when the fatal bomb exploded, The Associated Press reported. It was the first word of an arrest in the slaying.]

Mr. Swamy, in a telephone interview from New Delhi, said the government believed that the assassination was carried out by an extremist separatist group of Sri Lankan Tamils, the Liberation Tigers of Tamil Eelam.

The Tamil group has denied involvement in the bombing, and Indian security officials are still examining the possible involvement of other violent groups including Sikhs, who murdered Mr. Gandhi's mother, Prime Minister Indira Gandhi, in 1984.

Mrs. Gandhi's killing thrust her son into power for five years, and he was seeking a political comeback when an unidentified woman approached him at a rally southeast of Madras on May 21 and detonated a bomb that was wrapped around her waist. Seventeen people died.

"It's a conspiracy and it could not have been done without local support," Mr. Swamy said.

Although "there is no clinching evidence" connecting the bombing to the Tamil group, Mr. Swamy said that he and other government officials believed that the involvement of the Sri Lankan extremists was highly probable.

The guerrillas have perfected methods of using explosives and bombs and are believed to have set up a suicide squad called the Black Tigers, which has a woman's cell.

The rebel group, which seeks a separate Tamil state in Sri Lanka, a largely Sinhalese nation, had expressed outrage at Mr. Gandhi for sending Indian troops to the nation in July 1987.

In the two-and-a-half-year war that followed, the Indians gained control of many towns but failed to seize guerrilla defenses in the jungles.

■ **Ritual for Gandhi**

Mr. Gandhi's family took his ashes on a train of mourning Monday to be scattered in sacred river waters, news agencies reported.

Mr. Gandhi's widow, Sonia, and the couple's son, Rahul, and daughter, Priyanka, traveled with two copper urns containing some of Mr. Gandhi's cremated remains.

The ashes were to be scattered on Tuesday at Sangam, the confluence of the Ganges and Jamuna rivers near the family's ancestral home.

Talks on a successor to Mr. Gandhi as leader of the Congress (I) Party were suspended until Wednesday, apparently deepening the disarray in the party that has dominated Indian politics since independence from Britain in 1947.

A consensus appeared to be emerging to appoint P.V. Narasimha Rao, 69, a Congress Party stalwart and a Gandhi family friend, as interim party president until national elections are completed in mid-June. A first round of voting for a new Parliament was held the day before the assassination on May 21.

Mr. Rao is in fragile health, and a battle is already under way to succeed him as party leader after the election.

The Congress Party's chief rival, the Bharatiya Janata Party, moved quickly to portray itself as the only party capable of giving India a stable government.

(AP, UPI, Reuters, AFP)

Restore Order, Roh Tells New Cabinet

Compiled by Our Staff From Dispatches

SEOUL — President Roh Tae Woo instructed his reshuffled cabinet to restore order Monday as students in Seoul clashed again with the police over the death of another student.

"Forces that deny the existence of the democratic system itself, thus increasing the worries of the people," were at work in South Korea, state radio quoted Mr. Roh as telling newly appointed ministers as they were sworn in.

"The cabinet should make all-out efforts to establish social order and stability as quickly as possible," he said.

The main opposition group, the New Democratic Party, adopted a resolution at a caucus Monday labeling the cabinet led by the new prime minister, Chung Won Shik, as "suppressive."

"If the demands for an entirely new cabinet are not met," the resolution said, "our party will stage an all-out struggle by mobilizing all available means and methods."

More than 2,000 students at Sungkyunkwan Confucian University clashed with the police on Monday when they tried to march off their campus in northern Seoul, witnesses said. They were dispersed with tear gas.

The students earlier held a memorial rally for a woman student killed in a demonstration on Saturday. They chanted, "Oust Roh!" and carried banners saying, "Topple the Government"

South Korea faces continued protests. It has been shaken by often-violent demonstrations since the police in Seoul beat to death a student protester, Kang Kyung Dae, on April 26.

The crisis that followed forced President Roh to replace the hard-line prime minister, Ro Jai Bong, a target of the protesters, and five other ministers. The president dismissed the home minister a day after Mr. Kang was killed.

The death of Mr. Kang touched off a series of suicides, other deaths and injuries. Ten protesters have attempted suicide and seven have succeeded. The last death, on Saturday, was of a young woman in disputed circumstances.

State prosecutors said that the woman, Kim Kwi Jong, 25, a third-year student at Sungkyunkwan, was apparently trampled when fellow students panicked as the police fired tear gas to disperse about 5,000 protesters on a Seoul street. Some students and other dissidents say she was beaten by the police. Prosecutors said they would order an autopsy to try to determine the exact cause of Miss Kim's death.

Dissident groups have called for rallies on Tuesday and Saturday to protest Miss Kim's death. Her body was in a hospital mortuary guarded by hundreds of students armed with steel bars.

Earlier in the day, Prime Minister Chung, a 62-year-old conservative, pledged to work for greater democracy and economic change.

"The government will try hard to get closer to the people and overcome the barrier of distrust between them," Mr. Chung said in his inaugural speech.

Dissidents and many mainstream opposition figures saw his predecessor as prime minister, Ro Jai Bong, as the architect of the government's tougher policies against dissent. The appointment of of Mr. Chung prompted criticism that President Roh was replacing one hard-liner with another.

(Reuters, AP)

Kim Jae Hwan/Agence France-Presse

Police in Seoul directing a stream of tear gas and paint at students during a demonstration Monday outside Sungkyunkwan University.

Defying Police, Tibetans Protest Again

By Lena H. Sun
Washington Post Service

BEIJING — Days after China's leaders celebrated the 40th anniversary of Communist rule in Tibet, anti-government demonstrations have broken out in Lhasa, sources in the Tibetan capital said Monday.

The demonstrations involved scores of Tibetans and took place simultaneously in three sections of Lhasa on Sunday, suggesting a strong degree of planning, sources said.

Security forces quickly put down the protests, including one in which Tibetans hurled rocks at Chinese-owned stores and Han Chinese, or non-Tibetans. No deaths or injuries were reported, but at least two Tibetans have been detained, sources said.

The state-run Chinese press published a stream of propaganda about Tibet in the several months leading up to the anniversary Thursday. The press reports described the Himalayan region as stable and prosperous as a result of four decades of Communist rule.

But to ensure that no incident would mar the celebrations, tens of thousands of Chinese troops and police have enforced de facto martial law in the region. Foreign journalists have been barred and tourists are accompanied by official "guides."

The security measures were apparently intended to prevent a repeat of the violent uprisings of recent years, when hundreds of Tibetans and some Chinese police were killed in pro-independence demonstrations. Although there have been isolated anti-Chinese incidents prior to the anniversary, the demonstrations Sunday appeared to be the first open acts of defiance in at least two months.

Unlike many previous demonstrations, which are usually led by Tibetan Buddhist monks or nuns, the protests on Sunday apparently involved ordinary Tibetans, sources said.

A source said that a member of Lhasa's Communist Party committee was killed Sunday, but that the death appeared to be unrelated to the protests. The source said the party official died when a car carrying him and other officials overturned in a traffic accident, killing two bystanders as well.

PLANE: *Investigators Seek Clues*

(Continued from page 1)

kok, indicating that the aircraft had been ripped apart by an explosion rather than being struck by lightning, as Thai officials postulated. Accident investigators said that another theory that an engine had exploded would not account for the way the plane blew apart.

The witnesses said they saw the plane explode into a huge fireball. They said there was another large explosion when main fuselage fragments hit the ground.

Officials said it would not be possible to prove or disprove that the crash was caused by a bomb until the aircraft's cockpit voice recorder and flight data recorder had been examined. Investigators said the recorders had been found, and would take several days to analyze.

None of the pieces of debris scattered over a large area of bamboo groves and jungle was more than about two meters square.

Rescue workers said their task was hampered by thousands of people who tramped to the site to pick through the wreckage for valuables and clothing.

The rescuers said there was no hope of finding any survivors. According to the airline's passenger manifest, most of the victims were from Austria, Hong Kong and Thailand.

The theory that the Austrian jet was bombed by mistake started when an unidentified man who said he was calling from Germany contacted the Vienna airport switchboard and raised the possibility that the extended-range Boeing 767-300 had been bombed in error.

"He indicated that there had been a mistake, and that a suitcase bomb intended for a United Airlines plane had been put on the *Lauda flight*," said Niki Lauda, the former racing driver who owns a majority stake in the airline.

But later, police in Vienna suggested after questioning the airport's telephone operator that Mr. Lauda appeared to be giving the call more credence than it was worth.

Lieutenant Colonel Alfred Rupf of the airport security police said it appeared that the caller had been studying the airline timetable and had noticed that a United Airlines flight leaves Bangkok every evening. "The caller wanted only to give us a tip on how the accident might have happened," Colonel Rupf said.

U.S. government officials said in the months before the Gulf war that there was evidence that Bangkok was an important site for terrorist activity linked to the Middle East crisis.

Security at the Bangkok airport, which was previously criticized as being lax, was tightened during the Gulf crisis and remains at a high level, officials said. Mr. Lauda said, however, that passengers did not have to identify their baggage before boarding, a procedure followed at many airports considered to be at risk from terrorism.

The Lauda Air jet, a twin-engined plane, had taken off from Don Muang International Airport about 15 minutes before the explosion and had climbed to an altitude of about 20,000 feet (6,000 meters) airline officials said.

Heinz Wenzel/Reuters

Niki Lauda in Vienna on Monday before flying to Bangkok.

Lauda Put Restless Drive Into Global Charter Airline

International Herald Tribune

Niki Lauda, the former Formula One champion driver, announced in 1979 — when he was 30 — that he was leaving the motor racing circuit because he had "realized that there are things in my life which are more important than driving a car in a circle."

His resolve to stay away from ultrafast automobiles did not last long, but one of the things that occupied him during a brief spell away from racing was nurturing the fledgling charter airline he formed as an adjunct to his passion for flying.

Mr. Lauda, who came close to death in the fiery wreck of his Ferrari during the German Grand Prix at Nürburgring in 1976, has a 51 percent stake in the airline, which became a scheduled carrier in 1987.

Because it could only fly routes not covered by the state carrier Austrian Airlines, Lauda Air concentrated on routes to the Far East. It has a weekly service from Vienna to Hong Kong via Bangkok — the one that crashed late Sunday — and other services to Sydney, via Thailand. It has announced plans to start flights to Seoul and Taipei on June 2.

As a charter carrier, Landa Air flies about 50 times a week to Greece, and has a range of other services to Spain, Miami, Mexico, Jamaica and other holiday destinations. The airline has four aircraft — two Boeing 737-300s, one recently acquired 737-400 and an extended-range Boeing 767-300 — in addition to the extended-range 767 that crashed near Bangkok. The aircraft was less than two years old and had been comprehensively serviced only a few days ago, a company spokesman said.

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French Push EC Arms Role

Meeting Cheney, They Deny Any Conflict With NATO

By R. Jeffrey Smith
Washington Post Service

PARIS — Top U.S. and French officials failed to bridge their differences Monday on military control of a new European rapid deployment force, leaving intact an alliance split on the future role of the North Atlantic Treaty Organization, according to officials from both countries.

Secretary of Defense Dick Cheney, who was visiting Paris, outlined for President François Mitterand and his senior cabinet ministers the U.S. view that creation of such a force should strengthen, not weaken, NATO's role as the pre-eminent military organization on the continent, U.S. officials said.

But French officials said late Monday that they still favored placing a new European crisis reaction force under the control of the 12-nation European Community, a move that would give it a political identity formerly independent of NATO and the United States. The EC has no military component at present.

Mr. Cheney confirmed at a news conference at the French Defense Ministry that the arrangements for such a force "are being debated within NATO," but added that after hearing from French officials Monday he felt reassured "that our basic, fundamental objectives are the same."

"That doesn't mean that we agree on every point with every ally," Mr. Cheney said. "Of course we don't."

Both sides sought to play down their dispute, and several U.S. officials said later that Mr. Cheney did not discuss it directly during six hours of meetings with Defense Minister Pierre Joxe, Prime Minister Edith Cresson, and others in the government here. They said Mr. Cheney instead discussed U.S. concerns within the context of overall U.S. support for a strengthened European "security identity."

Foreign Minister Roland Dumas sketched out for Mr. Cheney the French position on a rapid deployment force, but like other ministers stressed that Paris is not trying to undermine NATO and is not insisting that such a force be placed quickly under EC control, officials said.

"Of course this will not be tomorrow morning," Mrs. Cresson said. "We are thinking about it, but we are much in favor of keeping the very friendly . . . links that we have with the Atlantic alliance."

Mr. Cheney made clear that "the U.S. position is that a rapid reaction force created under NATO ought to be subject to NATO control."

He travels Tuesday morning to a Brussels meeting of NATO defense ministers, which U.S. officials have predicted will give its tentative endorsement to the eventual creation of a multinational force; this force would have roughly 60,000 to 70,000 NATO-controlled troops capable of responding to military crises affecting the territories of member states.

As the only member of NATO that does not belong to the allied military command, France will have no official delegation at the meeting. But at least five full NATO members — Spain, Italy, Greece, Belgium and Luxembourg — are said by officials to be supportive of the French position.

Agence France-Presse

Muslim nationalists in a confrontation at a rally in Kazan, in the Tatar region of the Russian Republic, protesting plans for elections of a Russian president. The protesters want Tatar self-rule.

Soviet Georgia Elects Nationalist

By Serge Schmemann
New York Times Service

MOSCOW — A Georgian nationalist and former political prisoner, Zviad Gamsakhurdia, won an overwhelming victory in the Georgian republic's first direct presidential election, according to results announced Monday.

The victory was largely expected, in part because Mr. Gamsakhurdia has attracted considerable popularity with his nationalist and anti-Soviet stance, and in part because none of the other candidates was seen as a viable alternative.

Election officials reported that Mr. Gamsakhurdia, who was already the effective leader of Georgia as president of its determinedly separatist Parliament, received 87 percent of the votes cast Sunday.

His closest rival, Valerian Advadze, won only 6 percent of the vote, and no other candidate cleared 2 percent.

The victory was certain to strengthen Mr. Gamsakhurdia's demands for rapid independence from Moscow. The 52-year-old Georgian leader has been among the staunchest of nationalist republican leaders who have rebuffed President Mikhail S. Gorbachev's efforts to forge a new union treaty.

The Georgian election coincided with the creation in Kishinev, the capital of the Moldavian republic, of an Assembly of National Fronts from the six republics that have declared their intention to secede from the Soviet Union. The six are Armenia, Georgia, Moldavia, Estonia, Latvia and Lithuania.

Participants said the goal of the assembly would be to coordinate the action of the six republics in political and economic matters.

Leaders of the nine other republics — the Slavic and Central Asian republics — met with Mr. Gorbachev in April and agreed to work toward a new union with a new constitution.

Conservatives Set Back The Socialists in Spain

New York Times Service

MADRID — Spain's governing Socialists, suffering a setback in nationwide regional and municipal elections, have lost the Madrid City Hall and possibly the regional government to the conservative opposition, according to official results released Monday.

While a Socialist, Pascual Maragall, will probably remain mayor of Barcelona, the traditional strongholds of Valencia and Seville may well have fallen to conservative-led coalitions.

Losing Seville, the home of Prime Minister Felipe González, would be a major blow to Socialist Party pride. It is the capital of a region, Andalusia, that the government has favored in regional investment programs. The next world's fair, Expo 92, will be staged there .

Capturing Madrid is regarded as a significant victory for the conservative opposition, the Popular Party.

The major casualty of Sunday's elections was the man who made them possible in the first place by skillfully piloting Spain toward democracy during the delicate transition years of 1977 through 1981.

Adolfo Suarez, who served as prime minister with the coalition government during those years, resigned Sunday night as party leader of the centrist Democratic and Social Center after seeing its support slashed by half.

The bulk of the lost Democratic and Social Center vote went to the Popular Party, which increased its national percentage over the 1987 municipal elections by nearly 5 points.

The Socialists remained the most widely supported party, increasing their share by more than 2 points at the municipal level and capturing 39 percent of the vote overall.

The Socialists lost ground, however, to the Communist-led coalition United Left, which will hold the key to governing agreements in many cities and regions.

United Left, replacing the Democratic and Social Center as the third largest political force in the country, saw its share of votes rise by from 6.9 percent to 8.5 percent in comparison to the municipal elections four years ago.

In all, 30 million Spaniards were eligible to vote for 13 of the 17 regional governments and officials in 8,000 municipalities. More than 60 percent turned out, as compared with nearly 70 percent in 1987.

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NIGERIA: *Building Democracy*

(Continued from page 1)

al products in Africa and a population that includes one in four black Africans, Nigeria has exceptional potential. Western experts say that with political stability, the country could become one of the few on the continent to make the leap from a mostly agrarian to an industrial-based economy.

The political and social risks are also high. Nigerians' rising expectations of democracy could be turned into anger and resentment if the new civilian government is perceived to be as susceptible to kickbacks and patronage as its predecessors.

The evolution of Nigerian politics over the last five years was not entirely voluntary.

To a large degree, it was forced by the collapse in the mid-1980s of the price of oil, which accounts for about 95 percent of the value of the country's exports.

With the decline in energy prices, oil revenue fell, to about $6 billion in 1989, from $25 billion in 1980.

At the same time, Nigeria's foreign debt, $452 million in 1970 and $18 billion in 1984, ballooned to $35 billion last year.

Many here contend that official corruption and pork-barrel politics squandered the country's income from the boom years, money that might have ushered in an era of prosperity and industrial might.

"We had to face up to the fact that greed ruined us, and we have only ourselves to blame for that," said Tai Solarin, an influential newspaper columnist.

When General Babangida took power from another military government in August 1985, amid general complaints of corruption and waste, he inherited a desperate economic situation. Nigeria's sources of credit had dried up and the country was, in the words of a Finance Ministry report, "on the verge of external bankruptcy."

In an effort to stop the economic hemorrhaging, he abolished fixed exchange rates and allowed the value of the currency, the naira, to decline from parity with the dollar to the current rate of more than nine to the dollar. The government also slashed state agricultural exports, banned imports of a wide range of goods, from wheat to champagne, and began a program to sell government-owned enterprises.

At the same time, determined to create a "new political generation," General Babangida banned virtually all former politicians from running for office. By some accounts, the ban on former officeholders could exclude as many as 50,000 people from office. The military hierarchy, from General Babangida on down, was also excluded from holding office during the first term of the new government.

That means in practice that the coming generation of political leaders — "new breeds," as almost everyone in Nigeria calls them — is largely inexperienced and untested. And because, until recent months, virtually all politicking was banned, the men and women who will rule Nigeria are virtually unknown.

In 1989, after the government lifted its six-year ban on partisan politics, 13 associations submitted applications, hoping to be recognized as political parties. The National Electoral Commission then drew up a list of six finalists, ranking them according to whether their policies were in line with those of the military junta.

But the government rejected all of the aspirants, outlawed them and set up two new parties, "one a little to the left, and the other a little to the right of center," as General Babangida described the arrangement. The general said he aimed to wean Nigerians from the subversive pressures of religion and money that had long devoured energies and consumed passions in this multiethnic, multiconfessional country.

General Babangida's highly regimented scheme has severely cramped the tempestuous style of Nigerian politics. Government officials insist that they are ultimately helping to lay the foundation for a working democracy.

"If you want democratic government to be sustained over time, then the people have to be enlightened, mobilized, and properly educated," said Jerry Gana, chairman of the Directorate for Social Mobilization, a government agency created to raise public consciousness about the structures of an elected government.

DRIVE: *Computers Hit the Road*

(Continued from page 1)

tional equipment, and surprisingly complex systems are in use in many metropolitan areas, though few travelers are aware of them. On local stretches of some interstate highways, for example, the flow of traffic is constantly monitored by magnetic-induction loop detectors embedded in the roadway at half-mile (one kilometer) intervals.

Each of these devices contains several six-foot loops of wire through which an electric current passes, creating a magnetic field. When a large metal object passes over the detector, it disturbs the field, causing the current in the wire to change frequency. Each change is routed to a network of roadside data collectors, and the results are fed into a central computer. If the traffic gets too thick, the computer instructs traffic lights at on-ramps that feed the highway to keep the red light on longer.

The computer also transmits delay messages to roadside signs. Philip J. Tarnoff, president of Farradyne Systems, of Rockville, Maryland, estimates that 6 percent of big-city interstates have such sensors.

A potentially better system will be tested next year on a highway bridge in the District of Columbia. Two video cameras will be trained on lanes approaching the bridge. Computers will calculate the number of images that cross a line on the screen and the time each takes to cross. This not only measures traffic speed and density but also the proportion of cars, trucks and buses on each lane of the road, since longer vehicles take longer to cross the line. And it does it without human observers.

If lanes clog, a message will be flashed to signs instructing motorists to tune their radios to a certain station broadcasting local highway information. "Eventually," says Lynwood Butner of the Virginia Department of Transportation, "we want to integrate alternative routing information," and send it straight to the cars.

In Europe and Japan, trials of such systems have been under way for years. Siemens of Germany and General Logistics of Britain use infrared beams shot from roadside stations. Another technique, says Chris Hill, a partner in Castle Rock Consultants, a British concern with offices in Leesburg, Virginia, is to embed "driver-support" data onto a "sideband" of an existing FM radio station and then equip cars with a decoder.

IRAN: *Call to Investors*

(Continued from page 1)

the rest of the world and to liberalize its stricken economy. The policies declared Monday did not go much beyond what has been said earlier.

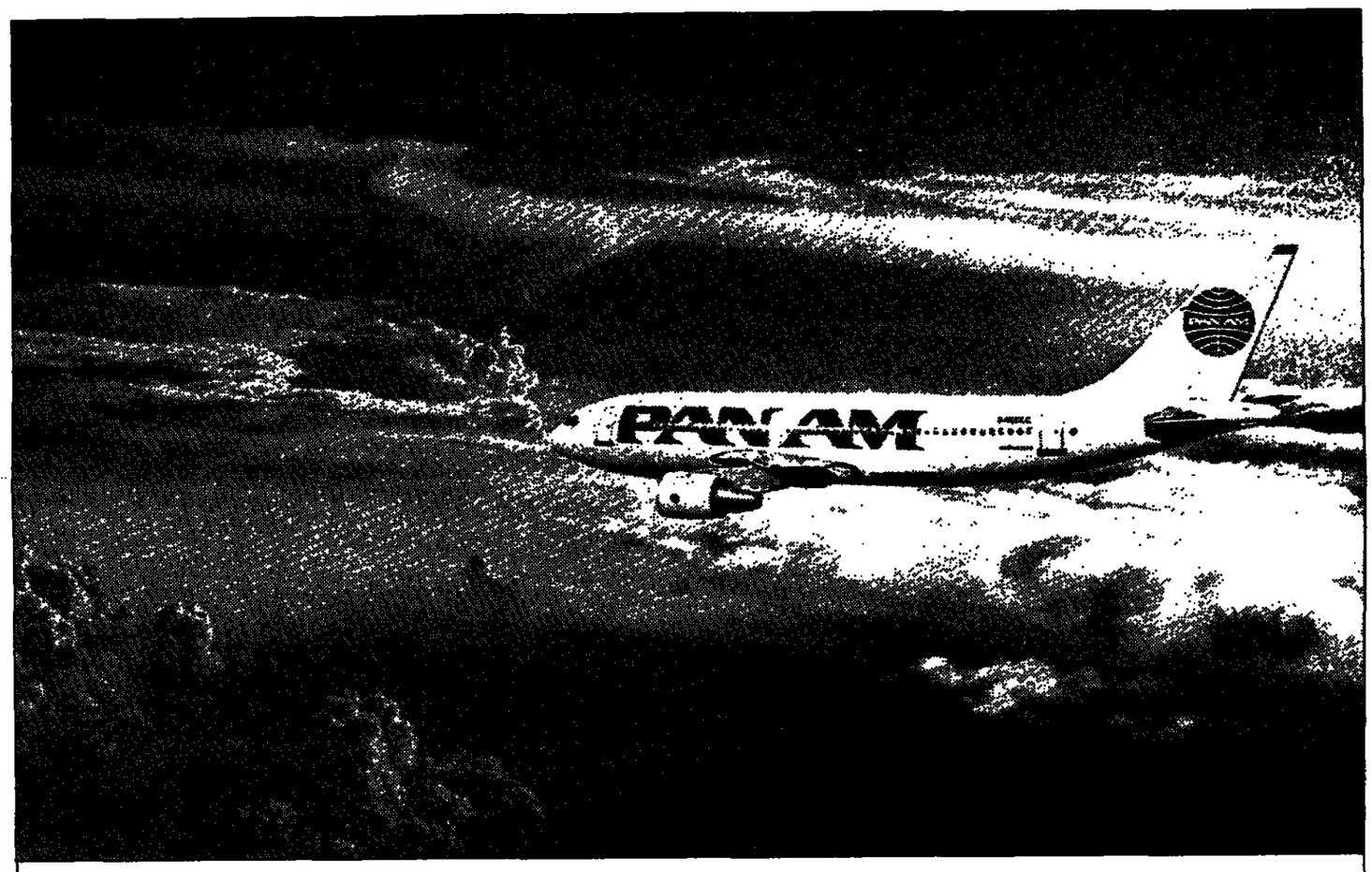
What mattered was the setting — a coming-out party of sorts, a debut with fanfare and finery, for a nation gripped by xenophobia for more than a decade.

"There's certainly a new mood around here," said a smiling Saudi delegate.

Saudi oil policy calls for long-term cooperation between oil producers and oil consumers to end the wild price swings of the past two decades that disrupted the economies of both groups.

The Saudi Arabian oil minister, Hisham Nazer, making the first visit to Iran by a Saudi oil minister since the revolution, said that "consumers want assured supplies at reasonable prices, producers want a stable share of the oil market and a reliable source of income." A constant push for higher prices, he said, advances neither objective.

Iran endorsed that position fully Monday. If producers satisfy the consumers' energy requirements through timely and sufficient supplies, a major portion of world capital would not be wasted in the huge costs of maintaining strategic petroleum reserves, said Oil Minister Gholamreza Aghazadeh.



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PAKISTAN

Reform Opens the Way To Industrial Growth

The broad-based Islamic Democratic Alliance won a landslide victory in Pakistan on October 24, 1990 on a program of economic reforms. The speed at which the new government altered the country's entire economic makeup surprised even party supporters.

Prime Minister Nawaz Sharif, who was sworn in on November 6, came to office with qualifications in both business and government. As owner of the broad-based family company, the Ittefaq Group of Industries, he was one of the country's leading industrialists. And he had served as finance minister, then as chief minister, for nine years in Punjab, the country's largest province, with 62 percent of the population.

'An impressive move to fundamental change'

As a successful businessman, Mr. Sharif believed that mobilizing the private sector to introduce massive industrialization would reduce dependence on foreign aid and achieve self-reliance as quickly as possible.

The new rulers had inherited a country burdened by debt and fettered by a restrictive bureaucracy, with the central government involved in a huge network of small and large industries. The economy was also under strain because of the Gulf crisis, suffering from high fuel prices and spiraling domestic inflation as well as the loss of the remittances of hundreds of thousands of Pakistani workers in the Middle East.

Federal Finance Minister Sartaj Aziz, a leading force behind the new Pakistan, traces the country's underlying problems back to the end of the 1960s. There was a concern at the time over the distribution of wealth, and it was fashionable to enlarge the state sector and have a more socialist economy, he says.

The Bhutto government elected in 1970 nationalized all of the banks and many of the major and smaller industries. The government eventually created about 120 corporations to manage these industries. These losing concerns became a major drain on resources, Mr. Aziz says.

The present government has introduced a radical program of economic reform. It has announced its intention of massive industrialization accompanied by privatization, controlled government spending, deregulation and the lifting of controls to stimulate foreign investment and encourage trade.

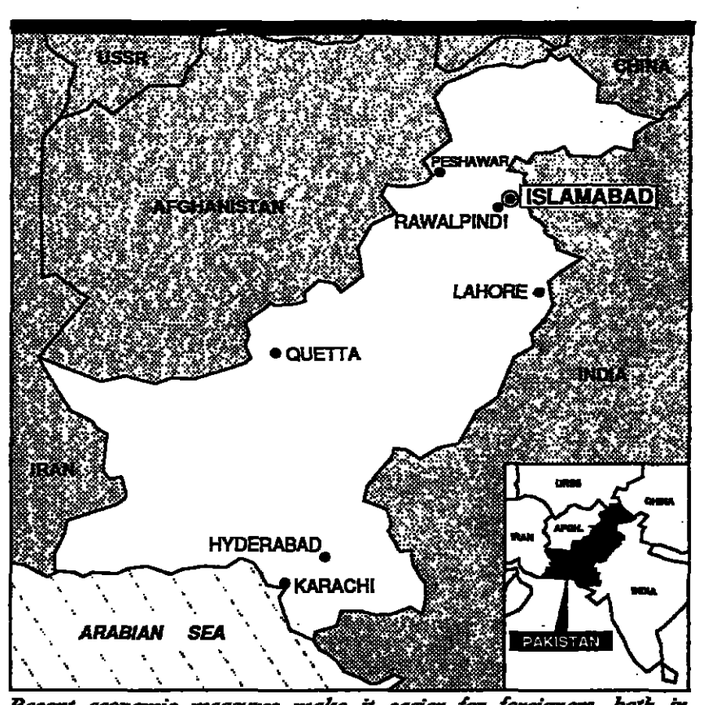
The reforms are changing the way business is done in Pakistan. Now the private sector can set up banks and run airlines, build toll roads and telephone networks, and operate ports.

With an area of 796,000 square kilometers (307,000 square miles), Pakistan has a population of more than 110 million. Over 70 percent of the population lives in rural areas. Its labor force is 32 million. The gross national product is $385 per capita, inflation is 6 percent and the country had a negative trade balance of $2.573 billion in 1989-90, according to the Ministry of Finance.

Agriculture accounts for 32 percent of gross national product and employs nearly 75 percent of the population. Wheat and rice are the main food crops, with cotton by far the most important cash crop. Textile manufacturing is the country's leading industry, followed by light engineering and food processing. Rice, cotton and cotton products account for about 65 percent of Pakistan's export earnings.

In promoting Pakistan as a future industrial power, Islamabad officials point to its advantages in skilled manpower, low costs, central location and a large consumer base. The secretary of the Ministry of Industries, T. Z. Farooqi, says, "We have a clear edge in local costs. Our real-estate costs, for example, are much lower than in other countries."

Mr. Farooqi further stresses the value of human resources. "Our technical expertise is available at fairly reasonable costs," he says. Pakistan's workers return from working overseas with a wealth of exposure to new technologies and can thus provide a high level of experience. "We have skilled, semi-skilled and highly skilled labor," he points out. "We have skills from every level, from the shop floor to managers."



Recent economic measures make it easier for foreigners, both in neighboring countries and further afield, to do business with Pakistan.

Pakistan, with a large and fast-growing population, has a big national market for consumer goods. It is also well placed because of its proximity and close ties to markets in the Gulf, Bangladesh, Iran and China. Pakistan could well benefit from the aftermath of the Gulf war and the end of the conflict in Afghanistan. Iran, Kuwait and Afghanistan are all under reconstruction, and Pakistan's geographical and historical factors give it an edge in these markets.

"The Chinese are opening up the economy in just a matter of years," Mr. Farooqi confidently predicts.

Reforms are changing the way business is done

"Pakistan is their closest friend, and they have confidence in us." Mr. Farooqi also points to long-range markets in the border states of the Soviet Union. "Pakistan is a potential industrial giant," Mr. Farooqi says.

The international financial community has already commended Pakistan for its sweeping reforms. Speaking at a meeting in Paris in May, M. Wiehen, a World Bank director, said, "Structural reforms in economic areas and the break with tradition that they represent add up to a very impressive move toward a fundamental change in economic policy in Pakistan."

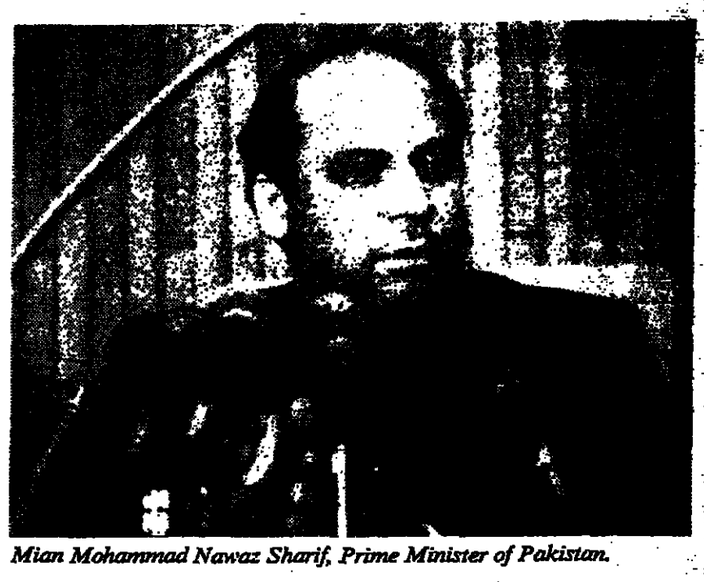
G. Mueller, of the Asian Development Bank, remarked that the reforms in Pakistan had been major and substantive. "They are tangible evidence of the government's commitment to its ongoing economic adjustment program. They augur well for the future prospects of the Pakistan economy," he said.

Summarizing for the press his achievements in his first six months in power, the prime minister showed that he is proudest of his economic achievements. "There were all kinds of fears, but the feedback now is so good," Mr. Sharif told a Pakistan magazine this month.

"The stock-market index has reached unprecedented levels. We have already begun to attract foreign investment. Foreign-exchange reserves, depite all the fears about flight of capital, have gone up.

"We are rapidly moving Pakistan into an open market. Basically, I want minimal government. A government that is small but efficient. The government has no business to run industry, hotels, cement plants, restaurants, architecture consultancies. It makes no sense."

The government's message is emphatic: "Pakistan is open for business."



Mian Mohammad Nawaz Sharif, Prime Minister of Pakistan.

The Prime Minister Speaks

"I have plans to make use of the unlimited resources of Pakistan. I wish to prepare Pakistan for entering the 21st century."

◆

"For someone presiding over the destiny of a nation, postponing national problems under political expediency is like leading the nation toward suicide. Today, when Pakistan is struggling to achieve self-reliance, it is all the more important that every issue should be resolved with speed. We can no longer afford to live like ostriches."

◆

"The job of the government is to formulate policies. It is not its job to run industry, commerce and hotels."

◆

"We have committed ourselves to the goal of a prosperous Pakistan."

"Unemployment is the main problem of the country at this stage. This can be solved only when the private sector is fully mobilized to play its role in national development."

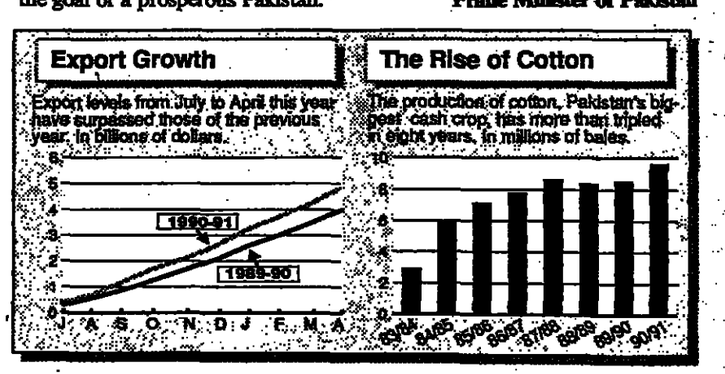
◆

"I have full faith in the abilities of our private sector that they would prove worthy of the confidence reposed in them by the government."

◆

"I am proud of the economic changes. We have started attracting foreign investment. We are moving toward making Pakistan an open market."

Mian Mohammad Nawaz Sharif
Prime Minister of Pakistan



Investors See Obstacles Removed From Their Path

In a further attempt to lure foreign investment, Pakistan has greatly reduced bureaucratic obstacles to setting up businesses.

On January 5, 1991, just a few months after taking power, the Islamic Democratic Alliance government, moving with a speed that has astonished (and delighted) the local business community, deregulated a wide range of industries. "Ours is now the most advanced open policy in the world," claimed a spokesman from the Finance Department in Islamabad.

50 industries to be backed at conference

A major step was to deregulate the industrial sanctioning procedure. Previously, government approval was required before foreigners could invest in many industries. Now, both local and foreign investors can become involved in any industry, except those involving national security, which includes arms and ammunition, high explosives, currency and security printing, and radioactive materials. Alcohol, except for industrial use, is also on the restricted list.

Holders of capital can invest freely. They can build plants of any size, in any location and with any sponsor without government approval.

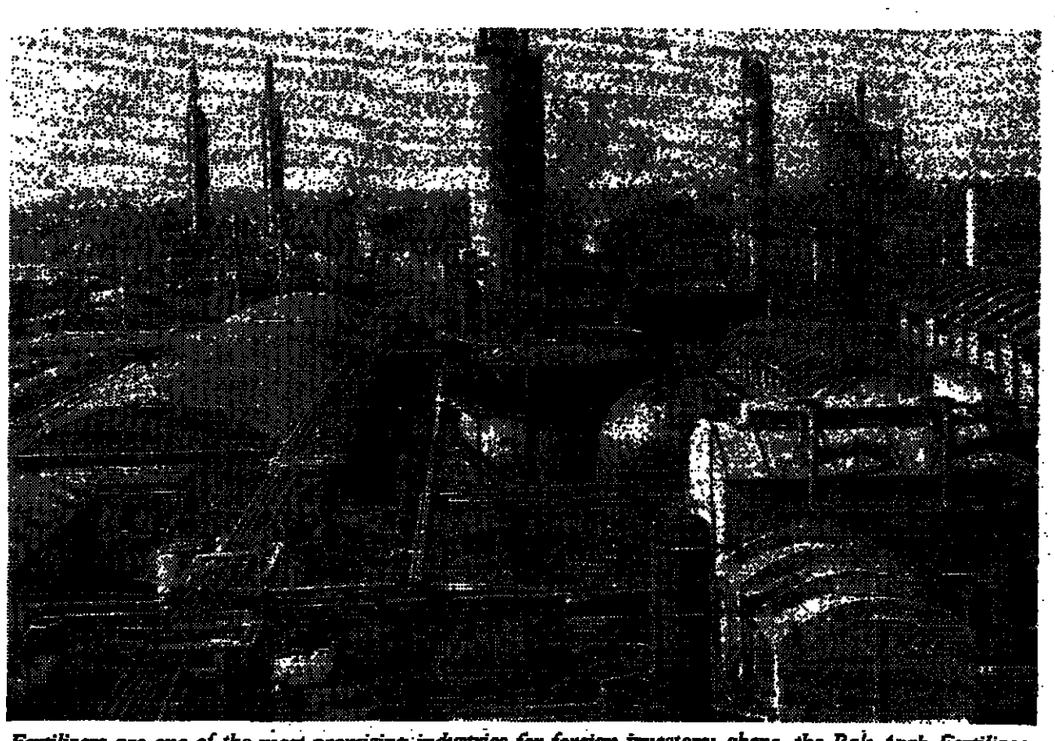
The government has moved on other fronts to improve Pakistan's standing as an industrial nation, improving education, quality control and infrastructure. In conjunction with trade bodies, it will establish the Pakistan Quality Control and Standard Authority to upgrade the design, production and distribution of exports.

The government will provide two-thirds of the capital cost of establishing training institutions to improve labor and management productivity. The initial list includes garments and hosiery, engineering, fisheries and carpets. The private sector will set up and manage these institutes.

As part of a worldwide publicity program to attract investors, the ministry is sponsoring an Investment Promotion Conference Convention in Pakistan in November. The World Bank and MIGA (Multilateral Investment Granting Agency), a branch of the International Financial Corporation, have confirmed their participation in the investment fair.

MIGA, foreign embassies in Islamabad, and Pakistan embassies and consulates overseas will help identify potential investors. About 250 from around the world are expected at the three-day conference in Islamabad.

The ministry, which has identified industries such as electronics, engineering, petrochemicals, fertilizers and pharmaceuticals as most promising for foreign investment, is preparing feasibility studies to identify projects. Of some 80 types of industries that might be of interest, the ministry will probably single out about 50 to promote at the conference. Brochures on these will be available for delegates.



Fertilizers are one of the most promising industries for foreign investors; above, the Pak-Arab Fertilizer Factory, Multan.

Even the largest projects in power, transportation and communications have been thrown open to the public. Private investors will be allowed to form a new airline and run charters in competition with Pakistan International Airlines. Under an ambitious program to expand the telephone system, private investors can set up a network and set their own tariffs. The government is also inviting bids for the construction of hydroelectric power projects and is willing to grant port cargo handling to private enterprise.

"We welcome proposals from developers interested in constructing toll roads," government officials say. "Certain incentives could be negotiated." Islamabad has invited bids for the construction of a 300-kilometer (185-mile), four-lane toll highway linking Lahore and the Rawalpindi-Islamabad capital area.

The response to the openness to foreign investment has been encouraging, a Ministry of Industries spokesman says. Concrete joint-venture agreements are being finalized. The most spectacular foreign investment in the private sector is Pakistan's largest power plant — Hub River Power Project — with a generating capacity of 1200 MW at an estimated cost of $1.5 billion. It is a joint venture of the World Bank, Japanese banks, Hawker Siddeley and local investors. The groundwork for the project is scheduled to start in September 1991. Another major venture, State Petroleum Refining and Petrochemical Corp.'s hydrocracker project, with an estimated cost of $300-$400 million, will be established with investment from Crescent Petroleum Co. of Dubai. Exim Bank of the United States has offered joint-venture participation with local private investors in gas-fired power-generation plants of Nanpur (100-MW capacity) and Uch (350 MW-capacity).

A delegation from the giant Korean Daewoo corporation visited Islamabad at the end of the month, and Japanese engineering and automobile firms have contacted the ministry. The Commonwealth Secretariat in London has expressed an interest, and CIDA (Canadian International Development Agency) has approached the Pakistan Commission in Ottawa.

Other major investors from Europe, Asia and the United States have all shown interest in doing business in the new Pakistan.

Economic reforms undertaken in Pakistan to make industry more attractive to investors will affect a vast array of industries. From left, one of the spillways of Tarbela Dam, the biggest earthfilled dam in the world; a pharmaceutical plant at Lahore; a sugar mill near Sahiwal.

Foreign Exchange Free From Controls

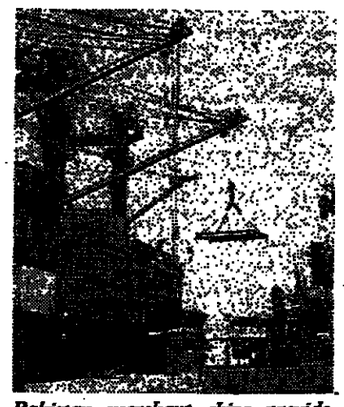
The first indication that things have changed in Pakistan comes even before arrival.

As the aircraft settles into final approach, an announcement comes over the public address system: "Ladies and gentlemen, we are now arriving at Karachi International Airport. There are new customs rules for Pakistan. There are no restrictions on the amount of foreign exchange you may bring into or take out of Pakistan."

More freedom means more foreign confidence

For those who remember the tedious bother with currency declaration forms, this comes as a most welcome surprise.

The relaxed currency restrictions, which make the Pakistan rupee almost totally convertible, are much more than a convenience for foreign travelers, however.



Pakistan merchant ships provide container service for imports and exports.

On February 7, Prime Minister Nawaz Sharif announced a wide-ranging reform of the exchange and payments system as part of an extensive program to rebuild the economy. To attract foreign capital, the government eased rules for importing foreign exchange as well as for repatriating private and corporate profits.

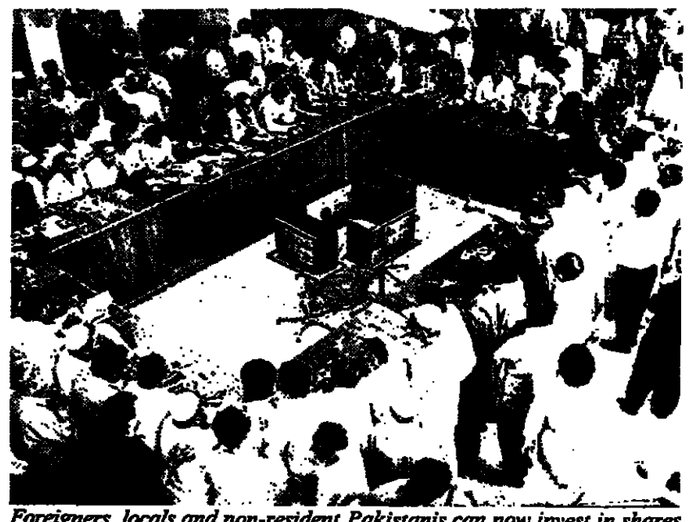
"These reforms will create an exchange and payments system conducive to foreign investment, trade and exchange resource mobilization," says a government spokesman. "They will enhance investor and general public confidence, promote investments and allow greater freedom in international payments."

Foreign businessmen, overseas Pakistanis and local residents will all find it easier to invest in the country. Under the old regulations, only foreigners could hold foreign currency accounts in Pakistan. Now, anyone can hold a foreign-exchange account in Pakistan and withdraw funds or transfer money overseas without restrictions. Pakistan residents can hold and freely take out foreign exchange and maintain foreign-currency accounts without questions asked as to the source of the funds. The return on a foreign-currency account is being offered at a rate higher than that of international markets and is exempt from all taxes.

Signs of the new economic order are already evident. A poster in the Hongkong Shanghai Bank in Karachi says, "You can open your US$ account at this bank — free of all foreign control regulations." Though the currency is not fully convertible, anyone can purchase foreign exchange in the open market with rupees and use it to open foreign-currency accounts to make payments locally or abroad.

Pakistan continued to operate currency regulations introduced during World War II long after the cessation of hostilities. In 1976, Pakistan adopted the Foreign Private Investment Act, which provides complete security and guarantees for foreign investment and its reinvested profits for repatriation.

The new Pakistan government contends that exchange controls do not help the country's economic well-being but contribute to an erosion of public confidence, a main cause for flight of capital. The secretary of the Ministry of Industries, T.Z. Farooqi, says, "It is an old saying in international finance that foreign capital comes where it is profitable and stays where it is safe."



Foreigners, locals and non-resident Pakistanis can now invest in shares of companies quoted on the countries two stock exchanges. Above, the Karachi Stock Exchange.

Investors are no longer afraid to put money in Pakistani banks because of restrictions in getting it out, he says. This was borne out in practice: there was no depletion of foreign-exchange reserves when the new rules went into effect.

The laws also open the economy to overseas investors. Foreigners, locals and non-resident Pakistanis can now invest in shares of companies quoted on the country's two stock exchanges (in Karachi and Lahore) by payment of foreign exchange. Remittance of principal and dividend against such shares is allowed without any prior permission, although capital gains taxes will be charged.

Investors can transfer dividends and capital in foreign exchange, provided the original purchase price is paid in foreign exchange.

The State Bank of Pakistan, the country's central bank, has allowed Pakistani and foreign banks to extend local credit liberally for working and fixed capital needs against foreign-currency deposits held by the banks. Limits on local borrowing for export-oriented enterprises have been removed. Investors need no permission from the central bank, the government or any other agency to obtain foreign loans. Borrowers and lenders can negotiate terms and conditions of the loan, the repayment of which will be allowed by the central bank according to the agreed terms.

Importers can approach banks directly to open a line of credit. For financing fixed investments, foreign-controlled companies can obtain advances from local sources without prior approval of the government or the State Bank of Pakistan. Ceilings on interest rates and fees and rules about a minimum period for foreign loans have been abolished.

The 5-percent taxation on royalty transfer has been removed. Constraints on the use of foreign loans in the acquisition of technology have been eliminated.

Restrictions on foreign equity in companies, once limited to 49 percent, have been lifted so non-Pakistanis can now wholly own local companies. They can also take out profits at any time, in the currency of their choice. Restrictions on work permits for managerial and technical personnel from abroad have been removed, and expatriates employed in Pakistan are no longer limited to remitting only 50 percent of their net income.

A wide range of fiscal incentives has also been introduced. The need for import licenses for items on the free list has been abolished. A three-year tax holiday is available for all industries established in Pakistan between December 1, 1990 and June 30, 1995. Terms are even more generous in rural areas where industry is needed. There is a five-year tax holiday for investments in certain underdeveloped areas and an eight-year tax holiday for the most backward regions.

In addition, there will be an exemption on import duty for machinery imported to industries in rural areas and a further exemption on sales tax for industries in backward areas.

Under the new system, everyone arriving in Pakistan will find life easier. If they have nothing to declare, they can pass right through the "green channel," where officers make only random spot checks — a system familiar to those traveling within Europe.

"We have come close to making this a fully convertible system," says a government spokesman.

The Finance Minister on the Role of Business

As an economist, Mr. Aziz believes the public sector should look after foreign policy, maintain law and order, and care for the poor while leaving business and other activities to those who can do it better. "This is the crux of what we are doing," he says.

Mr. Aziz underlines the resolve of Prime Minister Nawaz Sharif to reduce fiscal deficit, bring down the inflation rate below 5 percent and divert domestic savings to the private sector from the public sector.

The man given the responsibility to steer rapid changes in Pakistan's economic makeup is the federal finance minister, Senator Sartaj Aziz. From his home in Islamabad, the capital, he spoke at length about the government's macro-economic framework, unprecedented reforms and vision of the new Pakistan.

'We have to create a new relationship'

The government's greatest achievement in its six months in power has been to improve the relationship between government and business. "They have to work together; but in a regulated format they work at cross purposes. The government thinks it must regulate, the private sector tries to circumvent regulations. We have started to create a new relationship between the public and the private sectors in which we leave them alone, and they discharge their responsibilities, paying taxes, exporting more and so on."

That philosophy underlies all the government's success to date. "You can see it in the stock exchange, which has been going up, in the increase in exports and the desire for more investment. That is the manifestation of the reform programs."

Senator Sartaj Aziz, Federal Finance Minister of Pakistan.

As part of the reforms, the government has opened areas outside industry that were once closed to the private sector, such as telecommunications, highways, power, gas, shipping, airlines and cargo handling at Qasim and Karachi ports. The grain and oil terminals at these ports could also be available for operation by the private sector.

"We have seen a lot of interest, particularly from the Middle East, because people there are looking for opportunities, and there is more liquidity." In addition, the Middle East represents a large market for Pakistan's exports because it is so close.

The Japanese, who already have a strong presence in the automobile industry, are interested in Pakistan's engineering industry.

"If you look at the surrounding area, Pakistan is emerging as a safe haven for money. It is a large country with a large domestic market and proximity to other markets. This is a very good combination."

The finance minister feels that Pakistan is in a strong position because of its natural resources. "We have water resources, good agro-processing, fantastic agriculture, hydro culture. And we have cheap and skilled labor."

Is the government attempting to shift Pakistan from an agricultural to an industrial economy?

"Industry will obviously grow as a proportion of the total. Right now, agriculture is about 26 percent, industry about 20, and the rest is in services," Mr. Aziz says.

The agricultural share will not fall much because it will grow in total as well. "Even our industrial sector will have a base in agriculture. Textiles are based on cotton; fruit, vegetable and livestock products are all based on agriculture. Engineering, such as irrigation, is associated with agriculture.

The Middle East is a large potential market

"But in high-value industries such as electronics and computer software, for example, we have a good base. And we have a large engineering sector."

Agriculture will remain important domestically because it provides jobs, food, fuel and raw materials. Industry, however, will become more important in the export sector.

Mr. Aziz is also concerned about the social aspects of development. "Privatization must be accompanied by a parallel program to look after the poor and the less-developed areas," he says. "We hope to have a big jump in our education, manpower and training programs, health and services in rural areas."

The finance minister sees Pakistan as a rising industrial power in Asia.

For Sale: Banks, Bakers, Mills, Telephones and More

Within days of coming to office, Prime Minister Nawaz Sharif announced a wide-ranging program to return all state-owned industries and services to the private sector.

One of the first acts of Pakistan's new government was to put out the For Sale sign — in front of banks and bakeries, cement factories and sugar mills.

"The 1990 elections gave the government the mandate for major privatizations," says Saeed Qadir, the man responsible for disposing of all nonessential government enterprises. A week after being elected, the government set up a standing commission in charge of dismantling the extensive public sector.

115 manufacturing units are on the block

Mr. Qadir calls it the 3-D Committee: disinvest, denationalize and deregulate. Islamabad will privatize more than 100 "industrial units," some of which were set up by previous governments and some of which were nationalized.

Privatization will extend to the financial sector, with the government getting rid of seven state-owned commercial banks and allowing private domestic banks to operate. In late December 1990, the Muslim Commercial Bank was the first to go on the block. A Pakistani consortium of 12 companies known as the National Group purchased the bank early in 1991.

On May 14, the smaller Allied Bank was put up for sale. (Both of these were nationalized in 1974.) The United Bank, the massive Habib Bank and other major financial institutions will be put up for sale, along with money-losing public-sector organizations such as the Cotton Export Corp., the Rice Export Corp. and the Trading Corp. of Pakistan.

The privatization will go well beyond banks — as far as bread and butter (but not guns, which remain on the specified list). Sixteen bakeries of the state-owned Roti Corp. of Pakistan, as well as ghee (clarified butter) factories, will be sold off.

"It's not the government's business to make bread and cakes," Mr. Qadir says.

The wide-sweeping privatization plan includes 115 manufacturing units in 10 sectors: chemicals and ceramics, cement, fertilizers, energy, automobiles, steel, woolen and cotton textiles, engineering products, clarified butter and bread.

Investors are also being offered ports, power grids and telecommunications. Some industrial units operated by the Water and Power Development Authority and Pakistan Telecommunications Corp. will be opened for sale to individual investors. Besides privatizing the existing telecommunications corporation network, Islamabad is launching an ambitious program to expand telecommunications. Whole telephone networks will be open to private bidders.

The commission is advertising in the local press, in the Gulf and in London, but any investor can buy into Pakistan's industries, Mr. Qadir says. Major American financial institutions such as Morgan Stanley have already approached him.

Mr. Qadir is a man in a hurry who wants to work himself out of a job by completing the terms of the commission. He remains confident that he can complete the task quickly. "We don't have permanent offices," he says. "We don't even have enough cups to serve visitors tea."

Shedding these industries carries political risk as well. Powerful lobbies in Islamabad support state-controlled economies, so the privatization commission has set strict guidelines for awarding bids to avoid charges of conflict of interest. While first right of refusal to nationalized businesses will go to the original owners, the buyers will have to meet the best bid.

The government has devised a new program to address the concerns of labor. The program has built-in employment guarantees, so new employers cannot release labor for 12 months. "We are also offering labor the chance to retrain in other trades," Mr. Qadir says.

The speed and efficiency of the privatization program has impressed overseas industry analysts. Steven Steckler, senior manager of Price Waterhouse's Transportation and Utilities Finance Group, called it "amazing."

Mr. Steckler was speaking on WorldNet's Satellite Dialogue Program with industry, labor and government leaders in Washington and Islamabad. He pointed out that Pakistan had "shortcut the process," spending less time than other countries in studying and restructuring companies before putting them on the market.

Another panelist on the program summed up the atmosphere. Fariborz Ghadar of George Washington University said, "It's truly an exciting time in Pakistan."

Energy is one of the public-sector industries that will undergo privatization. Above, Guddo, a power station that plays a vital role in the industrial and agricultural development of the country.

This advertising section was written by Gerry Marchant, a Hong Kong-based journalist who specializes in Asian political, financial and travel affairs.

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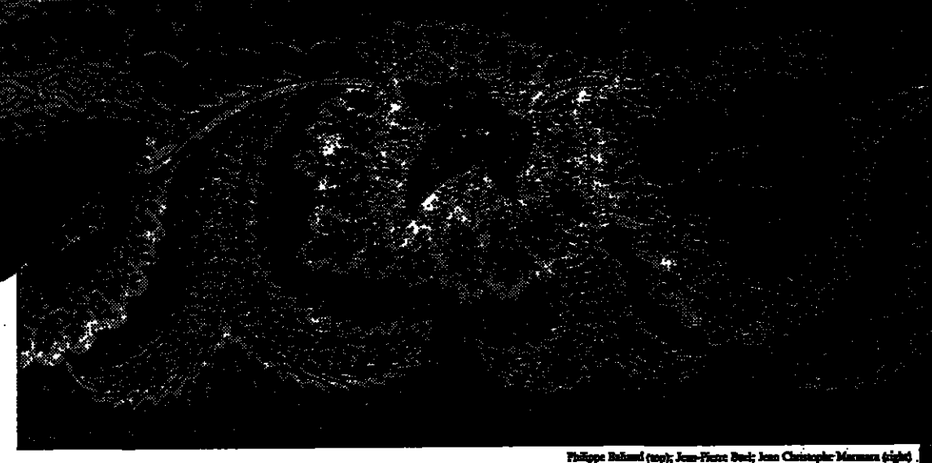
Style

Country Roots, City Chic

Provençal Prints Putting Out New Shoots

Jacques Demarthon

Souleiado's rustic peasant look and, far right, Lacroix's rescaled Provençal print for a sophisticated Parisian suit.



Philippe Ballard (top); Jean-Pierre Bedi; Jean Christophe Marmara (right)

Jean-Pierre Deméry, top right, with Christian Lacroix, and traditional Indian border print.

International Herald Tribune

TARASCON, France — Provençal prints — those fabrics that seem spun with the sun — are having yet another flowering. Forty years after Brigitte Bardot gave a coquettish flounce to the rustic look, and three centuries after they first arrived from India, the colorful floral patterns are high fashion.

The fabrics are rooted here in the heart of Provence, where the stone walls are as blush

SUZY MENKES

pink as the setting sun and only lizards are on the move at noon.

Inside the converted convent that houses Souleiado, manufacturers of the distinctive Provençal prints, all is bustle and business. They are riding high on the revival of the hippie and the ethnic, on a general reprise of printed fabrics and on the enthusiasm of couturier Christian Lacroix, a son of the south, who has been working with Souleiado to give the traditional patterns a new sophistication.

"Fashion is cyclical, but the patterns themselves are eternal; that is their strength," said Jean-Pierre Deméry, the president of Souleiado, which uses only prints taken from the 40,000 traditional fruitwood blocks in the attics.

"We started to make fashions here in the 1950s," he said. "Then the prints were taken up by Cacharel. And we have to thank Ralph Lauren for the worldwide phenomenon of country style. But now Christian Lacroix has introduced bright colors and different proportions and has ennobled our prints."

Souleiado's enormous success and its 120-million-franc ($20.5-million) annual sales, 55 percent from export, have been built on a yearning by city folks for a lost landscape of open fields and windblown sky, of bushy hedgerows, tossing blossoms and the smell of the earth. In Souleiado's showroom are the fabrics that allow nature to flourish even in the urban jungle: trails of foliage and bouquets of flowers in madder red, yellow ocher and conifer green.

Souleiado now turns out 3,000 meters (3,300 yards) an hour in its factories and the printing is no longer done by hand, yet the patterns are true to the traditional floral, geometric and paisley designs. New colors are introduced, but the original vegetable dyes are preserved in a sorcerer's apprentice workshop in Tarascon.

The international expansion over the last decade — and there are 120 boutiques worldwide — has been in creating a country lifestyle. Although the company has only recently produced the damasks and heavyweight materials that are designated as furnishing fabrics, its cotton percale has seemed well suited to the home. Room sets re-create scenes of French provincial life: plump border-print pillows on wicker terrace chairs; printed table napkins stacked up with glazed earthenware on sturdy kitchen dressers; quilts laid out on a marital bed painted with cooing doves. A small museum of Provençal objects was set up in 1988.

"It is a homage to provincial life, to Souleiado and to the memory of my father," said Deméry. He took over after the death of his father, Charles, in 1986, and now works with his stepmother, Stéphanie, and two sisters: Christiane, who supervises the Paris boutique, and Régine, the studio's designer.

Old photographs and the drawings of the Provençal artist Léo Lelée show how the quilted petticoats and fichu collars of the Arlésiennes were traditionally worn; Souleiado's own archives are mostly variations on these peasant themes, updated by the consultant stylist Chantal Thomass. The steep decline in the fortunes of Laura Ashley, earth mother of rustic fashion, shows the importance of moving with fashion's modern times. Plans at Souleiado now include Provençal printed stretch Lycra for swimsuits and a light voile fabric.

Lacroix's role is more rarefied: to bring the country cousin prints to the height of Parisian chic. In a capsule collection for the 16 Lacroix boutiques in Europe and Asia, he has worked with the Souleiado archive material, changing the scale, using bright contrasting colors, mixing patterns and making them into curvy suits and witty accessories.

The Provençal prints were originally brought to the southern ports of France over the spice routes from India. When Louis XIV banned the fabrics to protect the French silk industry and re-enforce its noble status, poor man's copies flourished among the peasants.

Now Lacroix is working to extract the exoticism of the Orient and the lushness of the 18th century costumes, rather than just the sunny naïveté of the prints with which he grew up.

"The fabrics are part of my memories," he said. "It was how women dressed when I was a child, long before I knew that the prints were folklore or that they were originally from India. I think of a sun-ray pleated skirt my mother wore in the 1950s. For me it is nostalgia."

The memories include Pablo Picasso at the bullfights in Arles wearing Souleiado shirts — a tradition continued by young men today.

The richness of the Provençal culture is a continuing source of inspiration for Lacroix. To nourish his roots, he opened a boutique in his native Arles, a town that stands as a gateway between the sunflowers and oleanders of Provence and the wild, flat marshland of the Camargue.

"They correspond to two sides of my character," he said. "One side is colorful and outgoing, the other more taciturn and meditative." In fashion terms, one brings rigor and purity, the other color and decoration. The boutique is filled with the latter: gilded bull's heads, chunky belts and vivid silk scarves and shawls with motifs of wild horses and corrida.

"I also believe that there are two kinds of chic in France — the chic of the north and of the south, of people who turn toward the interiors and those who live in the market square," he said. "They also represent the difference between Catholic and Protestant."

"Souleiado" means literally "sun ray piercing clouds." Hot Mediterranean fashion now has its chance to warm cold northern hearts and to celebrate urban elegance — rather than the romance of escape in smock blouse, peasant skirt and espadrilles.

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STYLE MAKERS

Cosmetic Surgery

NIP AND TUCK FOR MEN
New York Times Service

NEW YORK — Business associates who run into Matthew Rich this summer may wonder why he looks different. More exercise? Less stress? Better diet?

Nope. Rich, who owns a New York public relations firm, recently underwent a plastic surgery procedure known as autologous fat transplantation — fat-grafting, for short — to smooth out facial wrinkles, plump up his brow ridge and strengthen his jawline.

"I wanted my face to look stronger," said Rich, 37, whose clients include the fashion designer Mary McFadden. "People view a sloping forehead and a weak chin psychologically as not projecting a strong image."

Rich considers that attractiveness is a competitive advantage.

"I frequently deal with people in the entertainment industry, so I see many better-looking barracudas swimming in my tank," he said. "I have to charm them and win their confidence. It helps for me to feel good about my looks."

Rich isn't alone in using the scalpel to raise his self-esteem. Women still account for most of plastic surgery, but men are catching up.

In 1990, according to the American Society of Plastic and Reconstructive Surgery, nearly 25 percent of all patients were men — up from about 5 percent a decade ago.

In 1990, the four most popular procedures for men in the United States were nose shaping (20,720 done), eyelid tucks (17,590), fat removal (13,539) and face lifts (5,870).

"I see more businessmen today than ever before," said Dr. Paula Moynahan, a New York plastic surgeon. "When someone has heavy wrinkles, we subconsciously think he's tired, dissipated, over the hill. We tend to associate success with youth and energy."

When vitality isn't the problem, vanity is. Surveys by psychologists and sociologists have repeatedly shown that attractive people are more likely to win jobs, promotions and raises.

"If you've got an overhanging brow, you may be seen as sinister," said Dr. Linton Whitaker, the director of the Center for Human Appearance at the University of Pennsylvania. "If your mouth turns down, you may be seen as sad. There are ways to improve these expressions through surgery."

In an increasingly competitive job marketplace, a little nipping and tucking may seem like a sound investment — even when a face lift costs $4,500 to $7,500 and usually isn't covered by insurance.

"Plastic surgery is gradually becoming accepted in the business community," says Dr. Robert Goldwyn, a clinical professor at Harvard Medical School. "It's acknowledged that everyone wants to be his best.

"If the boss says, 'I'm going to be out of the office for a week because I'm having my eyelids done,' his staff may twitter, but they won't burst out laughing."

In fact, some executives view the knife as a status symbol of sorts.

Dr. Thomas Baker, a Miami plastic surgeon, recently performed a face-lift on the chairman of a Florida bank. "Three days later, he held the company's annual meeting," Baker said. "He was still swollen and had black-and-blue marks. But he wanted to show the board that he wasn't hiding."

In some situations, executives opt for plastic surgery to render the detectable undetectable. Dr. Sydney Coleman, a New York specialist in fat-grafting techniques, recently closed up pierced ears for several businessmen.

Then there are seasonal procedures. When it gets warm, Goldwyn said, "People who've worked their way up the corporate ladder often ask to have tattoos removed. They don't want to go to the company picnic and have others see a big heart with an arrow on their shoulder."

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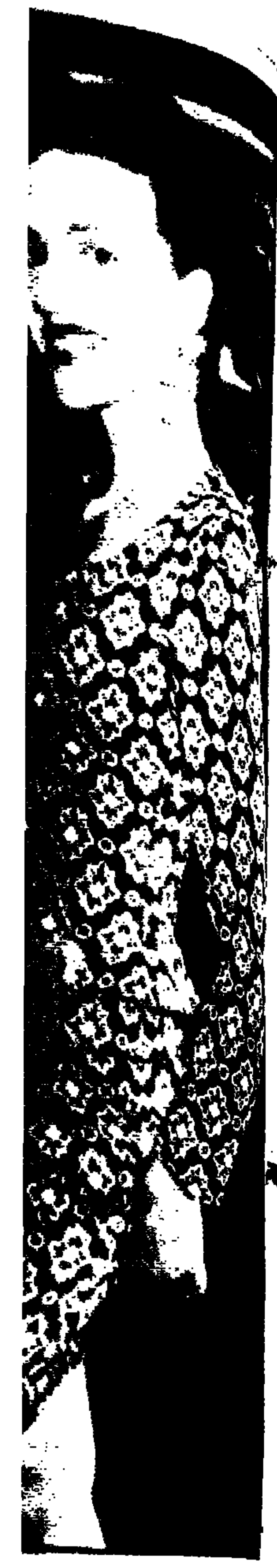


INTERNATIONAL STOCKS

Frankfurt Still Waiting For Convincing Rebound

By Jonathan Fuerbringer
New York Times Service

THE STOCK market in Frankfurt rallied last week, rising 4.7 percent despite having to digest the news of Karl Otto Pöhl's departure as Bundesbank president and the real prospect of another increase in German interest rates.

But except for David C. Roche, the international strategist for Morgan Stanley & Co. in London, not many analysts think this surge is a signal to get back into the market, which had been so popular after the collapse of communism in Eastern Europe and the fall of the Berlin Wall at the end of 1989.

Mr. Roche decided to move some money from Britain to Germany because of the relatively poor performance of the Frankfurt market this year compared with other stock markets. "Put simply," he said, "in a gray world of rotating markets, laggards catch up."

> 'Put simply, in a gray world of rotating markets, laggards catch up.'

For example, the Dow Jones industrial average rallied in April past its 1990 high of 2,999.75, to a record of 3,004.46, regaining all that had been lost in the market plunge after the Iraqi invasion of Kuwait. Now at 2,913.91, the Dow is 3 percent below the record high.

Frankfurt's DAX index of 30 leading shares closed at a 1991 high on Monday, at 1,681.48, up about 19 percent for the year. But it is still 14.9 percent below its 1990 high of 1,976.43. And it is also more than 10 percent below where it closed the day before the Gulf crisis began last Aug. 2.

Mr. Roche made his shift in mid-April when the DAX was at 1,583.14. *But he still argues that investors should get in,* especially if the market retrenches, which he said is a good possibility if the Bundesbank raises interest rates in the near future.

He said he is increasingly convinced that the Germans, now that they have come to better terms with the cost of rebuilding Eastern Germany, will be able to handle what he calls an engineering feat.

BUT OTHER ANALYSTS are less confident about the market, partly because the stocks are expensive compared with their earnings and compared with the values in other European markets and because of the threat of increased interest rates.

"For the moment we will stick with the view that it will be difficult to sustain these increases in the market," said Vanessa Rossi, research director of Swiss Bank Corp.'s equities group in London. "You will continue to see waves from 1,600 to 1,700 on the DAX, but we think it will be difficult to break through for any sustained gain."

She is also worried about the outlook for the rest of the year. The German economy, she said, could be slowing sharply by December, which would not be good for companies' profits, although the weaker mark would help exporters.

Ms. Rossi is also concerned that if economic recoveries begin in Britain and the United States, a lot of investors might move to those markets, which would probably slow the momentum in Frankfurt.

Although interest rates in Germany could be falling by the end of the year if the economy slows, Michael Howell, chief strategist for Salomon Brothers in London, favors the Paris Bourse over the Frankfurt exchange.

"When the French ease interest rates, the market can respond much faster," he argued.

But Mr. Howell noted that large international funds generally have cut their holdings in Germany to their lowest levels in five years. If there is a sudden change of sentiment about Germany, there would be a rush of money in that direction, which would push the market up very quickly.

This is in part why Mr. Roche of Morgan Stanley has already jumped in.

CURRENCY RATES

Cross Rates

May 27

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9465	3.328	1.1265	0.3313	0.1513 *	—	5.473 *	1.3214	1.3862 *	1.6685	1.8145 *
Brussels	34.9975	60.88	20.5885	6.054	2.7468 *	18.2675	—	24.15	0.2531	30.485	33.17 *
Frankfurt	1.6997	2.95	—	0.2941	0.1344 *	0.8877	4.859 *	1.1728	1.2285 *	1.4794	1.611 *
London (a)						Closed					
Madrid	105.635	183.287	62.98	18.255	8.34 *	55.381	3.0144	72.877	76.409 *	91.976	—
Milan	1,266.80	2,197.50	744.35	218.89	—	660.78	36.148	873.90	9.164	1,103.00	11.992
New York (b)						Closed					
Paris	5.785	10.043	3.401	—	0.457 *	3.0191	0.1653	3.991	4.185 *	5.039	5.4785 *
Tokyo	138.35	240.38	81.48	23.97	0.1885	72.32	3.9619	95.61	—	120.42	1.3135
Toronto	1.1487	1.9929	0.674	0.1983	0.906 *	0.5987	3.277 *	0.7900	0.8305 *	—	1.086 *
Zurich	1.4505	2.5174	0.8525	0.2508	0.1147 *	0.7575	4.1378 *	—	1.0492 *	1.263	1.3743 *
1 ECU	1.2079	0.6961	2.0553	6.9894	1,529.78	2.3156	42.3801	1.7508	166.99	1.3873	127.595
1 SDR	1.3461	0.7754	2.3011	7.8113	1,710.73	2.5889	47.2878	1.9579	185.442	1.5469	142.385

Closings in Amsterdam, London and Zurich, fixings in other centers; New York and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

May 24

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9925.0	Greek drac.	187.25	Mex. peso	3005.01	S. Afr. rand	2.7965
Austral. $	1.3219	Hong Kong $	7.7845	N. Zealand $	1.7271	Soviet ruble*	0.5957
Austr. schil.	12.04	Indian rupee	20.833	Norw. krone	6.657	Swed. krona	6.126
Brazil cruz.	279.70	Indo. rupiah	1920.01	Phil. peso	27.08	Taiwan $	27.00
Chinese yuan*	5.3131	Irish £	0.6402	Port. escudo	148.95	Thai baht	25.65
Danish krone	6.551	Israeli shek.	2.36	Saudi riyal	3.75	Turkish lira	3967.01
Egypt. pound	3.2371	Kuwaiti dinar	3.48	Sing. $	1.766	UAE dirham	3.6727
Fin. markka	4.05	Malay. ring.	2.7552	S. Kor. won	724.80	Venez. boliv.	55.12

*New York rates unless marked * (local rate).*

Forward Rates

May 24

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7258	1.7181	1.7110	Canadian dollar	1.1520	1.1547	1.1570
Deutsche mark	1.7122	1.7166	1.7207	Japanese yen	138.13	138.33	138.50
Swiss franc	1.4563	1.4588	1.4612				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

May 24

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	[illegible]	[illegible]	8 1/2-8 1/4	11 [illegible]-11 3/4	9 [illegible]-9 1/4	7 [illegible]-7 [illegible]	[illegible]	7 1/2
2 months	5 7/8-6	[illegible]	[illegible]	[illegible]	9 [illegible]-9 1/4	7 3/4-7 7/8	[illegible]	7 1/2
3 months	[illegible]	[illegible]	8 1/2-8 1/4	11 1/4-11 [illegible]	9 [illegible]-9 1/4	[illegible]	[illegible]	[illegible]
6 months	[illegible]	[illegible]	8 [illegible]-8 [illegible]	11-11 [illegible]	9 [illegible]-9 1/4	[illegible]	[illegible]	7 1/2
1 year	6 1/2-6 5/8	9-9 1/8	7 7/8-8	10 [illegible]-11 [illegible]	9 [illegible]-9 1/4	7 [illegible]-7 [illegible]	[illegible]	[illegible]

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

May 27

United States	Close	Prev.
Discount rate	5 1/2	5 1/2
Prime rate	8 1/2	8 1/2
Federal funds	Clsd.	5 1/2
Com. paper 90-179 days	—	6.15
3-month Treasury bills	—	5.38
6-month Treasury bills	—	5.60
1-year Treasury bills	—	5.78
30-year Treasury bond	—	8.30
3-month CD's	—	5.53
3-month CD's	—	5.55
Japan		
Discount rate	6.00	6.00
Call money	7 15/16	7 31/32
2-month interbank	7 23/32	7 11/16
3-month interbank	7 21/32	7 3/4
Germany		
Discount rate	6 1/2	6 1/2
Lombard rate	9.00	9.00
Call money	8.60	8.00
1-month interbank	8.90	8.90
3-month interbank	9.00	9.00
6-month interbank	9.05	9.05
Britain		
Bank base rate	11 1/2	11 1/2
Call money	Clsd.	11 3/8
3-month interbank	—	11 1/2
6-month interbank	—	11 1/4
France		
Intervention rate	9.00	9.00
Call money	10.00	9 11/16
1-month interbank	9 1/4	9 1/8
3-month interbank	9 3/8	9 1/4
6-month interbank	9 1/4	9 1/2

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

May 27

1 month	5 7/8 - 6
2 months	5 7/8 - 6
3 months	[illegible]
6 months	[illegible]
1 year	6 1/2 - 6 5/8

Source: Reuters.

U.S. Money Market Funds

May 24

Merrill Lynch Ready Assets
30-day average yield: 5.56
Telerate Interest Rate Index: 5.777

Source: Merrill Lynch, Telerate.

GOLD

May 27

	A.M.	P.M.	Ch'ge
Hong Kong	356.35	356.55	+ 0.90
Luxembourg	356.65	—	+ 1.00
Paris (12.5 kilo)	357.83	357.00	+ 3.25
Zurich	356.60	356.65	+ 0.65
London		Closed	
New York	—	Closed	

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Major Hurdles Remain in Trade Talks

By Tom Redburn
International Herald Tribune

PARIS — Two big decisions made last Friday in Washington and Brussels herald the revival of languishing negotiations to expand global trade, but Europe and Japan remain on a collision course with the United States.

Despite expressions of support from leaders of all the major industrial nations for a broad agreement to liberalize world trade rules under the General Agreement on Tariffs and Trade, it is still unclear whether Brussels and Tokyo are prepared to slash their farm subsidies soon enough and deep enough to convince Washington to give up its unilateral trade weapons.

"We're seeing the last gasp of GATTism," argued Clyde V. Prestowitz Jr., president of the Economic Strategy Institute in Washington, a group that advocates a tougher trade stance for the United States.

GATT's trade negotiators will try to breathe new life into the Uruguay Round, which collapsed last December in Brussels. But they don't have much time to succeed.

On Friday, President George Bush won approval from Congress for a two-year extension of his "fast-track" negotiating authority, which allows the White House to negotiate trade pacts in GATT and with Mexico without worrying that lawmakers can cripple the agreements with last-minute changes.

The two-year timetable is illusory, however. With the United States facing a presidential election in November 1992, GATT negotiators will probably have to wrap up an agreement by early next year if they hope to win congressional approval before partisan politics start to intrude.

"Nobody likes to talk about establishing deadlines after the troubles in Brussels," a senior EC trade official said recently, "but we're going to have to move things along much faster than most people realize."

Europe is in no hurry. The EC Commission managed to settle Friday a bitter dispute over its 1991-92 farm price program, at least clearing the way for Brussels to consider a more sweeping overhaul of its costly Common Agricultural Policy.

"Now we can proceed to come forward with the more fundamental reforms that everybody realizes is required," said EC farm commissioner Ray MacSharry.

But the difficulties of convincing Europeans to impose farm subsidy limits on themselves suggests that the next step will be much harder.

Moreover, France is expected to dig in its heels against revisions even deeper after the naming of Edith Cresson as prime minister. Last week, Mrs. Cresson, who was once a hard-line agriculture minister, advocated an expansion of France's share of European and global farm markets, a position that would make it all but impossible for France to accept cuts in subsidies.

Nonetheless, Jean-Claude Paye, secretary-general of the Organization for Economic Cooperation and Development, believes that France, in the end, will not block a GATT deal.

"I would be tempted to bet they won't put at risk the GATT negotiations," he said in a recent interview. Referring to Mrs. Cresson, he said he did not see her "as somebody who longs for the France of the old days."

But Mr. Paye conceded that for Europe, "the big bullet hasn't been bitten yet."

Those outside Europe remain worried about its commitment to change.

"The decision of the U.S. Congress to grant

See FARM, Page 13

Rhône-Poulenc Will Eliminate 1,170 U.S. Jobs

Reuters

PARIS — The French state-owned chemicals group Rhône-Poulenc, which is cutting costs after making expensive acquisitions, will sharply reduce its chemicals work force in the United States, a spokesman said Monday.

The spokesman said the company would eliminate 40 percent of its 2,930 American jobs in chemicals, or about 1,170 jobs, and would close half of its 38 chemicals sites in the United States.

The spokesman said Rhône-Poulenc planned to sell 1.5 billion francs ($259.1 million) of chemical assets in 1991.

Earlier this month, Rhône-Poulenc's chairman, Jean-René Fourtou, told labor unions that the company would cut 2,500 jobs over the next two years.

Foremost among Rhône-Poulenc's acquisitions over the past two years have been the U.S. pharmaceuticals house Rorer Group and RTZ Chemicals, the British specialty chemicals concern.

EC Seeks High-Tech Controls

By Charles Goldsmith
International Herald Tribune

BRUSSELS — The European Community is considering a system of common export controls on sensitive technology with potential military applications, officials said Monday.

At its weekly meeting on Wednesday, the EC Commission is likely to consider a proposal "to be sure the 1993 internal market can take place without damaging the necessary controls of sensitive goods," an EC official said.

The EC-wide export controls, which would apply to all non-Community destinations, would be designed to replace existing national controls once the Community establishes its post-1992 single market.

The spotlight that the Gulf war put on Iraq's possession of sophisticated Western technology has added urgency to the review, officials said.

The Commission is focusing largely on "dual-use" goods, such as advanced electronics and radar systems, that have both civilian and military uses.

"To put the issue simply: these goods must be able to circulate freely within the Community in the single market, but we need common rules, not 12 national rules, on controlling the export of these products," another Commission official said.

The EC intergovernmental conference on political union also is exploring the issue of export controls, but Commission officials feel work should begin now on forming a policy for the post-1992 single market.

Last week, the 17-nation Coordinating Committee for Multilateral Export Controls relaxed restrictions on the sale of sensitive technology to the Soviet Union and countries of Eastern Europe. The Paris-based COCOM includes the United States, Canada, Japan, Australia and all EC members except Ireland.

COCOM controls remain on some key products such as optical fibers. EC officials point out, however, that COCOM applies only to exports to Moscow and its former Warsaw Pact allies, whereas all destinations would be covered in the proposed Community rules.

"We feel that what is happening now with COCOM vis-à-vis the Eastern European countries is no longer so important, but exports to developing countries are becoming more and more important, as shown by what happened with Iraq," a Commission official said.

The Commission's aim of forging common export rules for dual-use products is connected to its desire to include now-exempted arms sales within the Community's usual competition rules. Such a change to the EC's basic treaty would require Community-wide rules on arms exports, which would be easier to formulate if export rules for dual-use products were already in place.

NATO also is examining proposals to open up intra-alliance arms sales in order to reduce costs and increase efficiency in an era of shrunken post-Cold War defense budgets.

Colombia Aims to Stay No. 1 in Coffee

By James Brooke
New York Times Service

SAN FRANCISCO, Colombia — In the cool Andean air of this mountain village, Juan Francisco Gómez shook rainwater from a coffee bush and displayed its glistening, ripening red berries. When dried and roasted, those beans will feed the river of arabica coffee that has swept Colombia to the top of the world coffee business.

Last year, in a historic upset, Colombia displaced Brazil as the world's top coffee exporter in terms of income.

It earned $1.4 billion in 1990 from the sale of 13.9 million 60-kilo (132-pound) bags of coffee. Brazil sold more coffee, at 16.9 million bags, but earned only $1.3 billion.

While Colombia's sales edge is now slim, many coffee experts expect it to grow, citing the nation's aggressive marketing efforts and Brazil's continuing internal problems that have hurt exports there.

Colombia's feat is all the more impressive given the stagnating demand and a collapse of coffee prices worldwide.

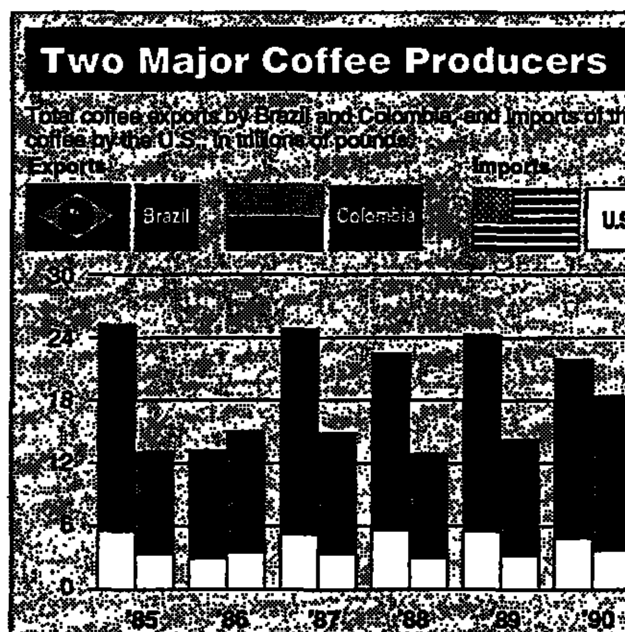
The United States remains the world's largest coffee consumer, *but soft drinks displaced coffee in* the 1980s as the favorite U.S. drink. More ominous for producers, the portion of Americans in their 20s who regularly drink coffee dropped to 31 percent in 1990, from 82 percent in 1962. That shift leaves little hope that demand will rise soon in the country that consumes one-third of the world's coffee.

Colombia's arabica beans are considered higher quality and better tasting than those from Brazil and the robusta variety from African countries. Brazil also exports a sizable amount of the cheaper robusta coffee beans, which are often *mixed with arabica as a marketing* tactic.

In its January issue, Consumer Reports, which accepts no advertising, ranked 29 ground coffees sold in the United States by flavor and aroma. The top five all used Colombian beans, which they display prominently on their labels.

They were Yuban Colombian, MJB Colombian, Maxwell House Colombian Supreme, Brown Gold Colombian and Hills Brothers Colombian.

Yuban and Maxwell House are Kraft General Foods products, while MJB and Hills Brothers are brands of Nestlé Foods Corp.



The New York Times

Brown Gold is a product of Tetley Inc., which is owned by Allied-Lyons PLC.

These companies have also discovered they can charge much more for coffee labeled Colombian, even though, as Consumer Reports noted, Colombian beans do not guarantee a great cup of coffee.

"The American consumer is saying: 'I no longer want a coffee full of Brazilian robusta,'" said Gustavo Gaviria Angel, a major exporter in Bogotá. "People will pay more for a better cup of coffee."

"The Brazilians are pulling out their coffee bushes with both hands," Mr. Gómez said as he relaxed on his veranda. "In Colombia, we never felt the crisis. The price never dropped a peso."

Indeed, Colombia's strategy for dethroning Brazil can be summed up in three points: quality of beans, reliability of supply and long-term support to growers.

Noting that Colombia also overtook Brazil last year in tons of exported arabica beans, the Federation of Brazilian Coffee Exporters conceded in a recent report, "The results indicate that one (Brazil) is the residual supplier, while the other (Colombia) is the preferred supplier."

Colombia earns about 35 percent of its foreign exchange from coffee sales, and this economic importance translates into a national concern for quality.

"We have quality-control inspectors every step of the way to the port," said Jorge Cárdenas Gutiérrez, president of the National Federation of Coffee Growers of Colombia, a semiofficial body that also maintains a network of agricultural services. "We have banned the sale for export of inferior grades of coffee; we sort out broken beans, black beans."

As recently as the 1950s, Brazil produced half of the world's coffee crop. Because of a freeze in 1975, a drought in 1985, and government mismanagement in recent years, Brazil has slid to about 22 percent of the world crop.

The International Coffee Agreement fell apart in 1989 because Brazil refused to lower its quota from 30 percent of world production in tons. If Brazil decided to resume cooperating, it would be lucky to get 25 percent as its new quota. Colombia now has an 18 percent world market share — well above the 15 percent quota it was allotted in the pact.

In 1990, the Brazilian president, Fernando Collor de Mello, abolished the Brazilian Coffee Institute, a government agency that coordinated exports and promotion. Afterward, Brazilian and Colombian coffee experts say, Brazil's coffee policy fell by default into the hands of amateurs.

"Colombia has never left the market," said a trading official with the National Federation. "Reliability of supply is one of the major pillars of our strategy."

French Assert U.S. Subsidizes Arms Exports

Agence France-Presse

PARIS — The French state-run aircraft concern, Aerospatiale, has accused the United States of aggressively subsidizing its defense industry by giving away $5.2 billion worth of arms this year.

Aerospatiale cited this and indirect state aid to U.S. civil-aviation companies in a plea to the European Community to resist U.S. attacks against state funding of the Airbus consortium, of which Aerospatiale is a member.

The concern's deputy director for international affairs, François David, asserted that the U.S. practices are at least as worthy of criticism as the state funding for Airbus. This funding, he said, was in the form of advances, which have to be repaid, granted by the governments of the French, German, Spanish and British companies involved in Airbus.

The U.S. Foreign Military Financing program this year alone will see outright grants of military material worth $4.7 billion to foreign governments, with low-interest loans to buy armaments totaling $404 million, Mr. David said.

This is to rise to $4.9 billion in grants and $314 million in low-interest loans in 1992, he added during a recent seminar for the French press.

The governments that benefit the most from the program are those of Israel, Egypt, Greece, Turkey and Portugal.

Washington has threatened to complain through the General Agreement on Tariffs and Trade over state aid to Airbus, a move that the European Community has described as "disappointing."

A senior French official has acknowledged that aid for the development of the Airbus A330/340 range came to some 75 percent of the cost.

While arguing that Washington also offers a high level of aid to its aeronautics industry, the Europeans have offered to limit the level of aid to aircraft development in future to 45 percent.

Washington is willing to accept this as a first step, but wants a further reduction in a second stage to 25 percent, which the EC finds unacceptable.

Aerospatiale officials believe the stepped-up U.S. offensive is aimed at discouraging potential U.S. buyers of Airbus planes.

Aerospatiale's president, Henri Martre, has said that Boeing Co.'s complaints over Airbus are sparked by fear of competition.

A private U.S. report put total state aid to Airbus over the past 20 years at more than $26 billion. Airbus says that U.S. manufacturers received $23 billion in indirect aid between 1978 and 1987.

As part of its counterattack against the U.S. foreign military supplies program, Aerospatiale wants France to start giving away military equipment, too, the daily Le Monde reported Monday.

■ New Pakistan Airline

The government of Pakistan on Monday allowed the Aga Khan Foundation for Economic Development to set up a private airline in the country to compete with the state-run, unprofitable Pakistan International Airlines, Reuters reported from Islamabad.

The new airline will initially run only domestic passenger and cargo flights, a government spokesman said.

The Aga Khan Foundation already runs airlines in Italy and Spain, and was found "the most suitable" of 16 parties that had applied for permission to set up the private airline, he said. The foundation is part of the Paris-based economic empire overseen by Prince Karim Aga Khan, spiritual head of the Ismaili sect of Moslems.

Pakistan launched a privatization drive late last year, opening up the civil aviation, shipping, banking, industry, power and road-building fields to the private sector.

Egyptian Debt Relief Tied to IMF Program

Compiled by Our Staff From Dispatches

CAIRO — An agreement reached in Paris by Western nations to slash Egypt's foreign debt is closely tied to Egyptian progress on restructuring its economy, Western economists said Monday.

Creditor governments meeting as a group known as the Paris Club agreed over the weekend to reduce the $20.2 billion that Egypt owes them by 50 percent over three years, provided Cairo presses ahead with an economic package drawn up this month with the International Monetary Fund, the economists said.

"The mood of all creditors was that the IMF role is very important," said an economist who attended the debt talks in Paris. "The last debt agreement," reached in 1987, "fell apart after three months. Everyone had in his mind this failure."

The United States and its allies decided to forgive half of what Egypt owes them partly to thank the country for the support it gave the anti-Iraq coalition during the Gulf war, Egyptian officials said.

The Bush administration had lobbied hard for large-scale debt relief, and the package approved is one of the most generous that the creditor nations have ever granted.

In recent months, the Japanese have been bitterly critical of plans by the United States to forgive billions of dollars of Egyptian and Polish debt.

The Bush administration wanted to reward President Hosni Mubarak of Egypt for his pivotal role in lining up Arab nations to oppose Iraq and to reimburse Egypt for heavy financial losses as a result of the Gulf war. Egypt also sent ground forces to the war.

"This plan means that Egypt's friends in the West have taken their foot off Egypt's trachea," said Yahya Sadowski, a scholar on Egypt at the Brookings Institution in Washington. "It's very clearly a reward for having stood by the anti-Iraq coalition in the gulf crisis."

Economists estimated that the decision by the Paris Club should reduce Egypt's debt payments by about $1 billion a year.

The decision comes after Washington decided last year to wipe out $7.1 billion in Egypt's military debts. In addition, Saudi Arabia,

See EGYPT, Page 14

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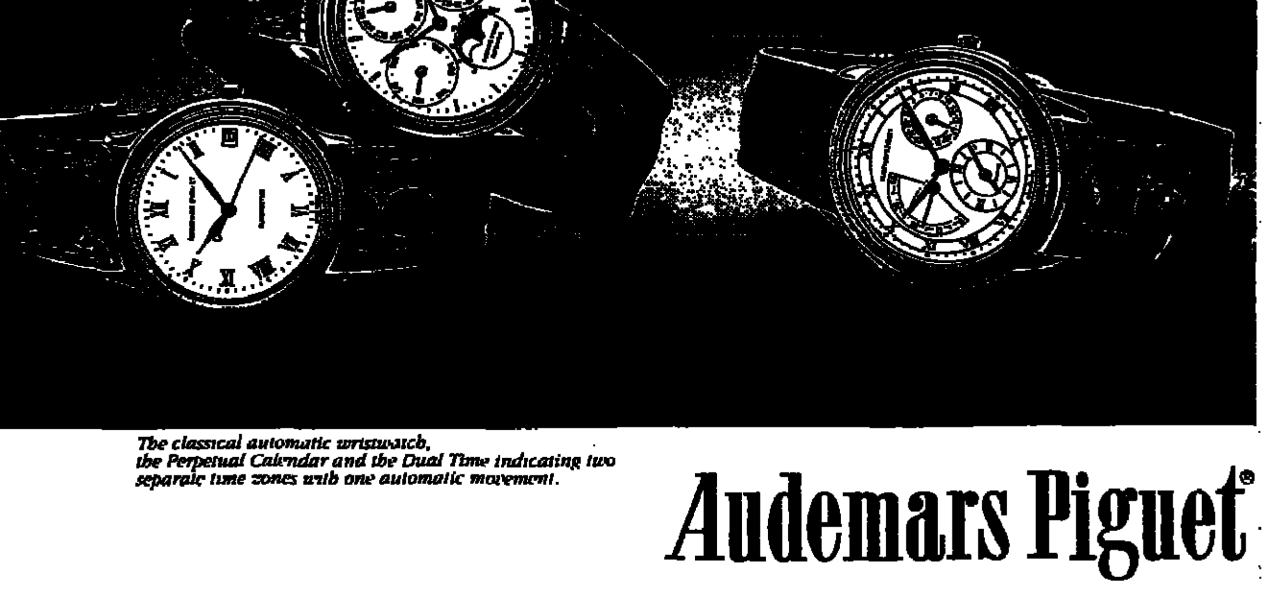

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Banks Find New Ways to Know Clients

By Michael Quint
New York Times Service

NEW YORK — The bankers' adage "know your customer" is taking on new meaning in the credit-card business, as banks increasingly rely on computers to guide their relationships with millions of customers they will never meet.

Using statistical measures, or "scores," for each customer, banks are learning how to avoid bad risks when soliciting new accounts, how to provide better service to existing accounts and how to collect more on delinquent loans.

No longer relying just on employment history, money in savings accounts and information provided on applications about income, banks now compile a score for each customer as they use the card.

Robert D. Dutton, senior vice president at First Data Resources Inc., a credit-card processing company, notes that there are 48 different characteristics by which a credit-card account is measured.

These include the extent to which monthly payments are for the full amount owed, the minimum payment or some in-between amount; promptness of payment; whether the card is used for purchases or cash advances, and frequency of use. Some banks are now experimenting with scores that consider the size of purchases and the kinds of merchants where the card is used, Mr. Dutton said.

The computer's ability to make sense of the myriad bits of customer data quickly and cheaply is a key reason for the extraordinary profitability of the credit-card business.

At Citicorp, the largest issuer of credit cards in the United States with more than 22 million accounts, specialized credit-card banks in South Dakota and Nevada earned more than $600 million in 1990. As a whole, Citicorp earned only $458 million because of losses in other parts of its business.

Even when banks are not burdened with unusually heavy losses from their traditional lending, credit cards are three times as profitable as the rest of their business.

"When you deal with millions of accounts, the computer allows consistent judgments that are just not possible if each account was analyzed by a person," said Thomas C. Lynch, head of the credit-card business at Chase Manhattan Bank.

Credit Card Management magazine reported that more than 51 percent of America's more than 200 million credit-card accounts were evaluated by some kind of behavior score by mid-1990, compared with only 14 percent a year earlier.

"In the past, bankers treated their card customers like a portfolio to be managed," said Robert Heller, president of Visa U.S.A. But now, using behavior scores, "they are focusing more and more on individual account management," he said.

Faced with rising losses and delinquencies in the recession, bankers have begun using credit bureau reports as a cross reference to spot new or existing customers who might be in financial trouble, but have kept their payments current.

A recent study by Visa found that 70 percent of consumers filing for bankruptcy were having considerable difficulties paying their debts in the two years before they declared themselves bankrupt, but survived by borrowing on their credit cards.

Behavior scores can improve service by helping banks quickly decide whether to approve a purchase that would put a customer over the credit line, or to grant their best customers increases in credit lines before they are needed.

But there are risks of monitoring accounts too closely.

Thomas E. Roach, a Brooklyn distributor of book publishing paper, canceled his American Express membership earlier this year when the company asked too many questions after his purchase of a $5,000 computer, he said.

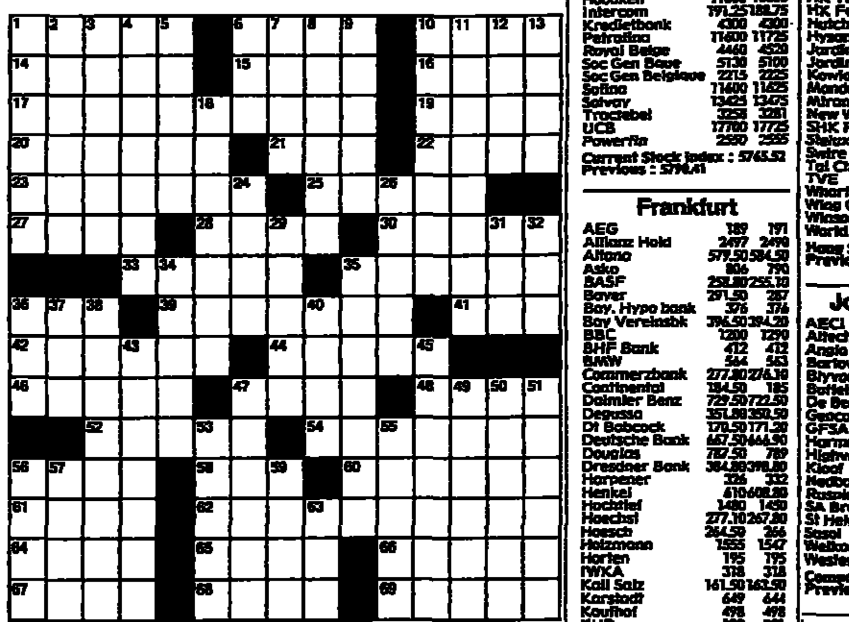
Mr. Roach said he was dismayed when American Express asked his bank if money was available and was upset when the use of the card was blocked, without asking what other funds he might have available, before he had been presented with his monthly bill.

ACROSS

1 Interwoven
6 Completed
10 Bible book
14 Fragrance
15 Blanched
16 Classify
17 Specials on chowder?
19 Skid
20 "The Last ——": O'Connor
21 A memorable Arden
22 Yemeni port
23 Early ascetics
25 Moral code
27 Spots
28 Type of chop
30 Escape
33 Lawmaker
35 —— Pearson, memorable Canadian P.M.
36 Excavate
39 Caress nutriments?
41 Red or Dead
42 Wed suddenly
44 Certain poet
46 Pumpernickel ingredient
47 Move quickly
48 A Secretary of State for F.D.R.
52 Theatrical work
54 Income
56 Dance maneuver
58 Gleeful cry
60 Hood and Williams
61 Therefore
62 Expensive sirloins?
64 Symbol of poverty
65 Thine, in Tours
66 Cosmetician Lauder
67 Church area
68 Supreme Court number
69 Violinist Isaac

DOWN

1 Cilia
2 Stimulate
3 Curriculum element
4 Josephine's title
5 Late Israeli general
6 Govt. agency in W.W. II
7 Low area
8 Rams or Colts
9 Bowling-alley button
10 Lights into
11 Wounds from an icicle?
12 Faithful
13 British gun
18 Bombarded
24 Chimney lining
26 Minds
29 —— it (on the carpet)
31 Actress Sandra or Ruby
32 Notable period
34 Puccini work
35 Tarries
36 D.A.'s court target
37 Under the weather
38 Omelet material?
40 Scent
43 Aim
45 "—— is yet to be": Browning
47 Gauguin's island home
49 Member of an Eastern Christian Church
50 Fisherman's prized catch
51 Diminish
53 Famed naval historian
55 Ballots
56 Curative agents
57 Snare
59 Conflict, in literature
63 Rush



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Solution to Previous Puzzle

GALA PITTS DES
ARAL ARROW CORN
SIDEBYSIDE IONA
PADRE MOD TRIP
TANG SEDATE
END TORT NATO
DIRT AARE RIDES
ATOOTHFORATOOTH
MAPLE TORN NONO
BELA POND RAW
TYRANT ROOF
SODA IWO DELAY
WORN TIMETOTIME
ALOT ANEMO IRON
PEP SENSE DAIS

WORLD STOCK MARKETS

Agence France Presse May 27

Amsterdam

	Close	Prev.
ABN Amro Hld	38.70	38.40
ACF Holding	43	43.20
Aegon	119.40	119.20
Ahold	80.40	79.60
Akzo	108.50	107.80
AMEV	54.70	54.80
A'Dam Rubber	3.75	3.75
Bols	209	207.40
Buhrmann Tett	54.10	53.70
Center Parcs	22.50	22.50
CSM	83.70	83.30
DAF	24.90	24.60
DSM	111	110.10
Elsevier	86.80	85.90
Fokker	32.80	32.80
Gist-Brocades	34.90	34.50
Heineken	154.20	153.20
Hoogovens	58.50	58.50
Hunter Douglas	87.40	81.50
IHC Caland	65	65
Inter Mueller	84	84.20
Int'l Nederland	51.30	51.40
KLM	26.30	26.50
KNP	50.90	50.50
Nedlloyd	54.80	54.50
Oce Grinten	49	48.80
Pakhoed	192	190.50
Philips	31.70	31.40
Robeco	98.60	98.70
Rodamco	55.50	55.40
Rolinco	97.20	97.50
Rorento	66	66.70
Royal Dutch	155.80	155.40
Unilever	158.80	157.50
Van Ommeren	41.40	40.70
VMF Stork	44.50	44.50
VNU	87.20	85.20
Wessanen	77.20	76.70
Wolters/Kluwer	53.90	53

CBS Gen'l Trend Index : 94.10
Previous : 93.80

Brussels

	Close	Prev.
AG Fin	N.A.	—
Arbed	4200	4200
Barco	1220	1228
Bekaert	8470	8480
Cockerill	176	176
Cobepa	5170	5170
Delhaize	7710	7700
Electrobel	4515	4545
GB-Inno-BM	1380	1376
GBL	3725	3700
Gevaert	7000	7050
Hoboken	11000	10600
Intercom	191.25	188.75
Kredietbank	4300	4300
Petrofina	11600	11725
Royal Belge	4460	4520
Soc Gen Banque	5130	5100
Soc Gen Belgique	2215	2225
Sofina	11600	11625
Solvay	13425	13475
Tractebel	3250	3281
UCB	17700	17725
Powerfin	2550	2555

Current Stock Index : 5765.52
Previous : 5796.41

Frankfurt

	Close	Prev.
AEG	189	191
Allianz Hold	2497	2490
Altana	579.50	584.50
Asko	806	790
BASF	258.80	255.10
Bayer	291.50	287
Bay. Hypo bank	376	376
Bay Vereinsbk	396.50	394.20
BBC	1200	1290
BHF Bank	412	412
BMW	564	563
Commerzbank	277.80	274.10
Continental	184.50	185
Daimler Benz	729.50	722.50
Degussa	351.80	350.50
Dt Babcock	170.50	171.20
Deutsche Bank	667.50	664.90
Douglas	787.50	789
Dresdner Bank	384.80	398.80
Harpener	326	332
Henkel	610	608.80
Hochtief	1480	1450
Hoechst	277.10	267.80
Hoesch	264.50	266
Holzmann	1555	1547
Horten	195	195
IWKA	318	318
Kali Salz	161.50	163.50
Karstadt	649	644
Kaufhof	498	498
KHD	192	191
Kloeckner Werke	150.50	151.50
Krupp Stahl	152.50	155
Linde	828	813
Lufthansa	124.50	125.90
MAN	388	385.30
Mannesmann	287.20	287.80
Metallgesell	577	523
Muench Rueck	2330	2295
Nixdorf	253.90	251.50
PKI	505	505
Porsche	835	835
Preussag	358.50	358.50
PWA	277.50	274.50
RWE	412.50	412.50
Rheinmetall	318	320.50
Schering	821.40	808
SEL	357	357
Siemens	629	628
Thyssen	224.50	228.50
Varta	317.50	316
Veba	371	365.70
VEW	208.50	209.50
Viag	378	376
Volkswagen	388.50	387
Wella	722	720

DAX Index : 1481.45
Previous : 1471.87
FAZ Index : 704.56
Previous : 700.12

Helsinki

	Close	Prev.
Amer A	40	42.50
Enso-Gutzeit	20	19
K.O.P.	36.50	37
Kymmene	74	73.40
Metra	85	83.50
Nokia	85	85
Pohjola	109	105
Repola	44	65
Stockmann	133	132

HEX Index : 1081.40
Previous : 1078.80

Hong Kong

	Close	Prev.
Bk East Asia	15.80	14.40
Cathay Pacific	8	8.35
Cavendish Int'l	3.43	3.53
Cheung Kong	17	17.40
China Light Pwr	19.70	20.40
Dairy Farm Int'l	11.30	11.60
Hang Lung Dev	6.80	7.20
Hang Seng Bank	26.60	27.20
Henderson Land	10.60	11.20
HK Air Eng.	16.80	17.10
HK China Gas	10	10.40
HK Electric	11.70	12
HK Land	7.85	8.30
HK Realty Trust	5.05	5.25
HK Shang Bank	24.70	25.50
HK Shang Htls	4.33	4.50
HK Telecomm	6.50	6.65
HK Ferry	4.30	4.30
Hutch Whampoa	14.70	15.10
Hysan Dev	6.35	6.70
Jardine Math.	32	33.50
Jardine Str Hld	17.50	17.90
Kowloon Motor	7.75	8
Mandarin Orient	4.53	4.75
Miramar Hotel	5	5.30
New World Dev	9.90	10.50
SHK Props	18.40	19.20
Stelux	3.47	3.43
Swire Pac A	17.40	18.70
Tai Cheung Pros	3.95	4.13
TVE	1.56	1.65
Wharf Hold	8.70	9
Wing On Co	7.58	7.75
Winsor Ind.	8.70	8.90
World Int'l	4.68	4.85

Hang Seng Index : 3575.52
Previous : 3703.96

Johannesburg

	Close	Prev.
AECI	13	13
Altech	92	92
Anglo Amer	106	106.25
Barlows	40	40.25
Blyvoor	5.50	5.50
Buffels	35	34
De Beers	76.85	77
Gencor	11.25	11.25
GFSA	78.85	70.50
Harmony	15.50	15.50
Highveld Steel	16.25	14.25
Kloof	29.25	29.60
Nedbank Grp	13.40	13.50
Rusplat	75.50	76
SA Brews	50.25	50
St Helena	25	25
Sasol	13.60	13.60
Welkom	15	15
Western Deep	109	110

Composite Stock Index : 3494
Previous : 3180

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3385	3380
Banco Central	4600	4450
Bco. Santander	5590	5558
Banesto	4100	4160
CEPSA	2310	N.A.
Dragados	2815	2795
Iberduero	716	713
Telefonica	1020	1015

S.E. General Index : 283.35
Previous : 283.37

Market Closed

The stock market in London was closed Monday for a holiday.

Milan

	Close	Prev.
Alenia	2775	2750
Banca Comm	4625	4654
Bastogi	242.50	244.50
Ciga hotels	2801	2760
CIR	2720	2680
Cred Ital	2625	2595
Enichem	1505	1491
Eridania	7200	7020
Ferfin	2275	2240
Ferfin Risp	1325	1304
Fiat SPA	5440	5480
Generali	35550	35450
IFI	14850	14875
Italcem	21650	21500
Italgas	3128	3100
Italmobiliare	74300	74350
Mediobanca	16050	16000
Montedison	1479	1457
Olivetti	3690	3645
Pirelli	1735	1705
RAS	20350	19990
Rinascente	6275	6250
Saipem	1681	1648
SIP	1290	1290
SME	3187	3149
Snia	1440	1425
Standa	35700	34450
Stet	2187	2199
Toro Assi Risp	25900	26000

MIB current Index : 1152
Previous : 1147

Montreal

	Close	Prev.
Alcan Aluminum	22⅝	22½
Bank Montreal	37¾	38¼
Bell Canada	42⅝	42¼
Bombardier A	21⅛	21
Bombardier B	20¾	21
Cambior	9¼	9¼
Cascades	4.48	4.40
Dominion Text A	8⅛	8
Donohue	N.Q.	—
MacMillan Bl	20½	20¾
Memotec	8⅞	8⅞
Natl Bk Canada	11	10⅞
Power Corp.	16⅞	17
Provigo	11	11¼
Quebec Tel	15⅝	15½
Quebecor A	N.Q.	18¼
Quebecor B	16	15⅝
Videotron	14	14⅛

Industrials Index : 1499.86
Previous : 1504.46

Paris

	Close	Prev.
Accor	749	751
Air Liquide	700	707
Alcatel Alsthom	573	567
Avions Dassault	475	490
Bancaire (Cie)	558	557
BIC	746	720
Bongrain	2520	2590
Bouygues	581	584
BSN-GD	882	885
Carrefour	1988	1881
Cerus	121.30	123.30
Chargeurs	728	715
Club Med	444.50	443
Elf-Aquitaine	356	358.20
Europe 1	995	1002
Gen. Eaux	2606	2620
Hachette	185.20	191
Havas	484.80	484
Imetal	305	308
Lafarge Coppee	355	355.10
Legrand	3625	3620
Oreal (L')	586	589
L.V.M.H.	4048	4019
Matra	242.60	243.70
Merlin Gerin	516	504
Michelin B	94	94.40
Moulinex	139.10	140
Occidentale	765	757
Paribas	465	466.50
Pernod-Ricard	1164	1164
Perrier	1460	1477
Peugeot	574	567
Printemps (Au)	630	637
Radiotechnique	589	596
Raff. St. Louis	1454	1425
Redoute (La)	3610	3660
Roussel Uclaf	1990	2022
Saint Gobain	431	438.50
Sanofi	829	828
S.E.B.	1640	1626
Skis Rossignol	686	685
Ste Generale A	425.70	428.90
Suez	341.40	340
Thomson-CSF	154.60	157.50
Total	790	783
Valeo	450	458.10

CAC 40 Index : 1883.52
Previous : 1894.83

Sao Paulo

May 24

	Close	Prev.
Banco do Brasil	82	74
Bradesco	5.99	5.70
Brahma	37	35.50
Paranapanema	2.45	2.37
Petrobras	759	735
Vale Rio Doce	122	118
Varig	28.50	27.50

Bovespa Index : 96004
Previous : 87740

Singapore

	Close	Prev.
City Dev.	3.70	3.74
DBS	11.80	11.90
Fraser Neave	9	9.25
Harrisons Plant	1.38	1.38
Haw Par	2.59	2.60
Hume	3.76	3.76
Inchcape	4.42	4.42
Keppel	8	8.05
KL Kepong	2.72	2.84
Lum Chong	1.18	1.19
Malayan Banks	4.72	4.70
OCBC	8.85	8.80
OUB	5.35	5.45
OUE	7.50	7.50
Sembawang	6.95	7.05
Shangrila	6.25	4.20
Sime Darby	2.61	2.64
SIA	13.40	13.40
S'pore Land	6.45	6.30
S'pore Press	8.90	8.95
Sing Steamship	J	2.98
Straits Trading	2.88	2.88
UOB	6.45	6.45
United Overseas	1.74	1.77

Straits Times Ind. : 1547.49
Previous : 1547.80

Stockholm

	Close	Prev.
AGA	305	301
Alfa Laval	253	254
Asea	593	592
Astra -A	587	580
Atlas Copco	232	228
Electrolux B	257	251
Ericsson	190	184
Esselte-A	140	140
Handelsbanken	122	122
Norsk Hydro	200	199.50
Procordia AF	185	185
Saab-Scania	271	271
Sandvik	320	320
SCA-A	112	112
S-E. Banken	71	69.50
Skandia F	193	189
Skanska	348	355
SKF	103	98.50
Stora	353	349
Trelleborg B	145	142
Volvo	326	321

Affaersvaerlden : 1053.20
Previous : 1041.40

Sydney

	Close	Prev.
ANZ	3.74	3.70
BHP	12.70	12.65
Boral	3.73	3.73
Bougainville	0.85	0.85
Coles Myer	11.35	11.10
Comalco	3.75	3.72
CRA	12.95	13.85
CSR	5.72	5.74
Dunlop	5.46	5.58
Elders IXL	0.25	0.25
ICI Australia	4.35	4.28
Magellan	2.25	2.25
MIM	1.71	1.71
Nat Aust Bank	6.64	6.62
News Corp	8.54	8.14
Nine Network	0.53	0.54
N Broken Hill	2.11	2.14
Poseidon	1.20	1.20
QCT Resources	1.30	1.28
Santos	3.71	3.73
TNT	1.10	1.13
Western Mining	4.98	5.02
Westpac Banking	4.85	4.79
Woodside	3.43	3.42

All ordinaries Index : 1553.10
Previous : 1534.20

Tokyo

	Close	Prev.
Akai Electr	1110	1140
Asahi Chemical	787	770
Asahi Glass	1350	1340
Bank of Tokyo	1340	1320
Bridgestone	1060	1070
Canon	1480	1490
Casio	1340	1300
C.Itoh	680	677
Dai Nippon Print	1680	1590
Daiwa House	1920	1940
Daiwa Securities	1330	1320
Fanuc	5150	5200
Fuji Bank	2780	2790
Fuji Photo	3340	3340
Fujitsu	1090	1120
Hitachi	1140	1130
Hitachi Cable	1160	1170
Honda	1310	1310
Ito Yokado	4240	4250
Japan Airlines	1110	1110
Kajima	1610	1590
Kansai Power	2810	2840
Kawasaki Steel	434	435
Kirin Brewery	1530	1520
Komatsu	853	870
Kubota	741	740
Kyocera	6210	6250
Matsu Elec Inds	1640	1650
Matsu Elec Wks	1610	1600
Mitsubishi Bk	2770	2790
Mitsubishi Kasei	581	585
Mitsubishi Elec	745	755
Mitsubishi Hev	765	757
Mitsubishi Corp	1210	1220
Mitsui and Co	780	775
Mitsukoshi	1240	1250
Mitsumi	1530	1580
NEC	1450	1440
NGK Insulators	1170	1220
Nikko Securities	1040	1040
Nippon Kogaku	1300	1270
Nippon Oil	1050	1040
Nippon Steel	465	467
Nippon Yusen	630	625
Nissan	745	740
Nomura Sec	2110	2120
NTT (SF)	9709	9882
Olympus Optical	1140	1150
Pioneer	4100	4150
Ricoh	743	740
Sanyo Elec	597	608
Sharp	1530	1530
Shimazu	826	820
Shinetsu Chem	1580	1540
Sony	6080	6080
Sumitomo Bk	2460	2440
Sumitomo Chem	497	497
Sumi Marine	965	987
Sumitomo Metal	487	490
Taisei Corp	995	1000
Taisho Marine	1010	1010
Takeda Chem	1580	1580
TDK	5330	5350
Teijin	574	570
Tokyo Marine	1320	1310
Tokyo Elec Pw	3790	3840
Toppan Printing	1490	1470
Toray Ind.	640	635
Toshiba	775	780
Toyota	1800	1800
Yamaichi Sec	1010	1010

Nikkei 225 : 25406
Previous : 25529
Topix Index : 1934
Previous : 1945

Toronto

	Close	Prev.
Abitibi Price	15¼	15¼
Agnico Eagle	5	5⅛
Air Canada	9¼	9⅜
Alberta Energy	13⅝	13¾
Am Barrick Res	22⅝	22¼
BCE	42¼	42¼
BCED	N.Q.	8.12
Bk Nova Scotia	16⅞	16⅞
BC Gas	15¼	15¼
BC Phone	20⅝	20⅝
BP Canada	14⅝	14⅞
Bramalea	6⅜	6⅜
Brunswick	8⅝	8⅝
CAE	6⅞	6⅞
Campeau	0.46	0.48
CIBC	27⅞	28⅛
Canadian Pacific	19	19
Can Packers	15⅞	15⅞
Can Tire A	22⅝	22⅝
Canadian Turbo	3.51	3.61
Cantor	[illegible]	[illegible]
Cara	[illegible]	[illegible]
CCL Ind B	11	11
Cineplex	3	3¼
Cominco	23	23
Conwest Expl A	N.Q.	17⅝
Corona A	4.15	4⅛
Denison Min B	N.Q.	0.38
Dickenson Min A	N.Q.	3.75
Dofasco	19⅝	19⅝
Dylex A	4.50	4.55
Echo Bay Mines	9⅝	9⅝
Equity Silver A	1.07	1
FCA Intl	N.Q.	8⅝
Fed Ind A	6¼	6¼
Fletcher Chall A	18⅛	18⅛
FPI	N.Q.	7
GeacCorp	3.40	3.40
Gulf Cda Res	8⅞	8⅞
Hees Intl	18	18
Hemlo Gld Mines	8⅝	8⅝
Hollinger	13⅝	13⅝
Horsham	19⅞	19⅞
Hudson's Bay	24½	23⅞
Imasco	38	37⅞
Inco	37⅞	37⅞
Interprov Pipe	20⅞	21
Jannock	17⅛	17⅛
Labatt	23	23⅝
Lablaw Co	19⅝	20⅝
Mackenzie	8⅞	7
Magna Intl A	8⅝	8⅝
Maritime	18⅞	18⅞
Mark Res	7⅞	7⅞
MacLean Hunter	16⅜	16⅜
Molson A	40⅝	40⅝
Nama Ind A	6⅝	6⅝
Noranda	18⅝	18⅝
Noranda Forest	9⅞	8⅞
Norcen Energy	23	23
Nova Corp	8⅞	8⅞
Oshawa	30⅝	30⅝
Pagurin A	8⅝	8⅝
Placer Dome	14	14
Poco Petroleum	7⅝	7⅝
PWA Corp	6⅝	7
Quebec Sturgeon	0.31	0.31
Rayrock	N.Q.	7⅝
Renaissance	15⅝	15⅝
Rogers B	11	10⅞
Rothmans	56⅝	56⅝
Royal Bank Can	25⅝	25⅝
Royal TrustCo	10⅝	10⅝
Sceptre Res	3.30	3⅜
Scott's Hosp	17⅞	17⅞
Seagram	114⅝	114⅝
Sears Can	12⅝	12⅝
Shell Can	39⅝	39⅝
Sherritt Gordon	7⅝	7⅝
SHL Systemhse	N.Q.	5⅝
Southam	19⅝	19⅝
Spar Aerospace	13	13⅝
Stelco A	6⅝	6⅝
Teck B	21	21
Thomson News	14	15⅝
Toronto Dom	18⅝	18⅝
Torstar B	23⅝	23⅝
TransAlta Util	12⅝	12⅝
TransCda Pipe	17⅝	17⅝
Triton Finl A	12⅝	12⅝
Trimac	7⅝	7⅝
Trizec A	15⅝	16⅝
Unicorp A	1.05	1.05
Woodward's Ltd	3.85	0.38

TSE 300 Index : 3464.92
Previous : 3484.38

Zurich

	Close	Prev.
Adia Intl	715	700
Alusuisse	1145	1135
Leu Holdings	1580	1520
Brown Boveri	4450	4410
Ciba Geigy	2740	2700
CS Holding	2060	2030
Elektrow	2940	2940
Fischer	1490	1470
Interdiscount	3200	3140
Jacobs Suchard	7010	7000
Jelmoli	1465	1450
Landis Gyr	1115	1090
Moevenpick	4700	4720
Nestle	8720	8640
Oerlikon-B	500	500
Pargesa Hld	1300	1280
Roche Holding B	4865	4825
Sofra Republic	85	85
Sandoz	2220	2280
Schindler	5450	5450
Sulzer	417	409
Surveillance	7925	7910
Swissair	720	720
SBC	334	329
Swiss Reinsur	389	330
Swiss Volksbank	1435	1415
Union Bank	3770	3730
Winterthur	4070	3950
Zurich Ins	2300	2280

SBS Index : 631.20
Previous : 626.10

Markets Closed

U.S. financial markets were closed Monday for the Memorial day holiday.

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May 27, 1991

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The marginal symbols indicate frequency of quotations supplied: d - daily; w - weekly; b - bi-monthly; r - regularly; t - twice weekly; m - monthly

ABACUS FUNDS
w Abacus Fund Ltd $ 8.68
b Abacus Guart.Fd.Mar 94 $ 9.15
b Abacus Guart.Fd.July 95 $ 10.06
ABC INVESTMENT & SERVICES CO (E.C.)
m ABC Futures Fund Ltd $ 98.29
ABN BANK I.D.M, P.O. Box 669, Amsterdam
w ABN-Aandelenfonds Fl 80.17
w ABN-Beleggingsfds Ned. Fl 61.97
w Aldollar $ 23.60
w Alrenta Fl 184.50
w America-Fund $ 184.25
w Asian Tigers Fund $ 33.10
w Columbia Securities Fl 124.27
w LDC Risk Inv. Fund $ 1217.92
w Trans Europe Fund $ $ 41.05
w Trans Europe Fund Fl Fl 78.54
AIG FUND MANAGEMENT Ltd
d AIG Amer. Eq. Trust $ 25.47
d High Life Fund Ecu 18.89
d UBZ Euro Optimizer Ecu 18.4947
d UBZ Liquidity Fund $ $ 101.2447
d UBZ Liquidity Fund DM DM 101.4562
d UBZ Liquidity Fund SF SF 102.0287
ALFRED BERG
w Alfred Berg Norden $ 138.81
Alfred Berg Sicav
w Global $ 129.19
w Germany $ 123.72
w Switzerland $ 96.29
w Netherlands $ 94.40
w North America $ 98.04
ALPHA ASSET MANAGEMENT Ltd
De Ruyterkade 62, Curacao NA 5999 617844
m Alpha Europe Fund Ecu 243.91
m Alpha Futures Fund Ltd $ 153.28
m Alpha Global Fund $ 659.39
m Alpha Hedge Fund $ 329.96
m Alpha Pacific Fund Ltd $ 295.19
m Alpha Short Fund Ltd $ 108.45
m Alpha Spec. Opport. Fd. $ 309.88
m Alpha Tilldale Fund $ 121.77
m Carran-Alpha Hlth Care Fd $ 289.87
w Helsel Japan Fund Y 14553.00
w Nicholas-Applegate Aurelia $ 162.45
m Nicholas-Applegate Hge Fd $ 120.32
ARRAL ASSOCIATES Ltd
w Arral American Guant Fd. $ 9.88
w Arral Asian Fund $ 136.58
w Arral Int'l Hedge Fund $ 99.69
ASSETMIX FUND
Lux. Tel: (352) 489861
BOND FUNDS
d Alpha Worldwide SF 55.41
d Deutschmark Bond DM 51.77
d Sterling Pound £ 117.95
d US$ Bond $ 118.66
EQUITY FUNDS
d Alpha European Ecu 1.23
d Alpha Japanese Y 869.00
d Alpha Pacific Rim $ 1.54
d Alpha UK £ 1.31
d Alpha US$ $ 1.21
d Alpha Worldwide SF 5.03
d Gold Share $ 0.83
RESERVE FUNDS
d Deutschmark Reserve DM 11.553
d Sterling Reserve £ 13.459
d US$ Reserve $ 11.715
BA GATEWAY FUND
w Germany Fixed Income DM 103.56
w Belgium Fixed Income BF 10959.80
w US Dollar Fixed Income $ 111.82
w Int'l Portfolio A $ 105.25
w Int'l Portfolio B Ecu 108.87
w Japan Equity Y 10526.00
w Pacific Equity $ 96.52
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 726414
w Int'l Equity Fund (Sicav) $ 18.97
w Int'l Bond Fund (Sicav) $ 12.86
w Dollar Zone Bd Fd (Sicav) $ 10.31
w Sterling Equity Fd (Sicav) £ 0.99
w Sterling Bd Fd (Sicav) £ 1.10
BANQUE DE GESTION E. DE ROTHSCHILD
LUXEMBOURG S.A.
b Eagle Fund LF 9689.00
d Europe Japan Fund $ 9.47
b Government Secur. Fd $ 64.21
w Hispano Int'l Fund Ecu 11.49
w Leicom $ 2224.23
b Opportunities $ 1014.71
b Optigest Carsitor Gen. DM 144.33
b Optigest Fixed Inc. DM 114.18
b Prifirst $ 545.19
b Prirap Fund DM 44.31
w Rente Plus BF 4771.80
f Select. Horizon FF FF 65378.16
b Star Convert. Fd Fl Fl 10891.80
b Star Convert. Fd US$ $ 101.36
BANQUE INDOSUEZ
w The Dragon Fund Sicav $ 185.72
w Asian Growth Fund $ 35.96
w Asian Income Fund $ 8.43
w Diverbond SF 74.15
m Dual Futures Fd Cl A Units $ 110.59
m Dual Futures Fd Cl B Units $ 111.07
m Dual Futures Fd Cl C Units $ 104.65
m Dual Futures Fd Cl D Units $ 106.81
m Galaxy Futures Fund Ltd $ 111.00
w Himalayan Fund $ 10.57
d Indosuez Hong Kong Fund $ 20.435
w IPNA-3 $ 330.00
w ISA Japan Res. Gr. Fund Y 1015.00
w Japan Fund $ 14.705
d Japan Warrant Fund $ 3.77
w Malacca Fund $ 14.94
w Managed Trust $ 19.250
w Manila Fund $ 9.02
w North American Fund $ 35.870
w Oriental Venture Trust $ 45.090
w Pacific Gold $ 11.07
w Pacific Trust HK$ 22.400
w The Siam Fund $ 23.02
w Singap & Malay Trust $ 14.938
w Tasman Fund $ 4.160
d Worlwide Growth Fund $ 9.73
BANQUE PRIVEE E. DE ROTHSCHILD
w Daiwa Capital Eq. Fund $ 913.18
w Daiwa LCF Rothschild $ 1117.30
w Ecu D'Or Ecu 75.80
b Pri - Tech $ 1103.99
b Source Sicav $ 12.55
BANQUE SCANDINAVE EN SUISSE-GENEVA
w Intelbond Chf SF 75.21
w Intelsec Chf SF 187.82
w Swissfund Chf SF 180.39
w Universal Eurosec Ecu Ecu 100.04
w Universal Finnsec Capital FM 111.96
w Universal Intelbond $ A $ 15.49
w Universal Intelbond $ B $ 14.13
w Universal Intelbond FF A FF 103.17
w Universal Intelbond FF B FF 113.04
w Universal Intelsec $ A $ 14.22
w Universal Intelsec $ B $ 14.78
BEARBULL
w BB Forex Ltd $ 1155.92
w BB Futures Ltd $ 1104.69
w BB Global Ltd BEF BF 1867.50
w BB Global Ltd CHF SF 18.66
w BB Global Ltd FRF FF 108.24
BNP INTERFUNDS
BNP LUXEMBOURG
w Interbond Fund $ 220.79
w Interbelgian BF 58127.00
w Interecu Fund A Ecu 279.62
w Interecu Fund B Ecu 1078.16
INTER CASH
f France Securite FF 13629.89
f France Monetaire FF 11672.08
f France Capital FF 12910.19
f Inter Cash ECU Ecu 1510.29
f Inter Cash US$ $ 1127.10
f Inter Cash DM DM 2280.69
f Inter Cash GBP £ 1188.23
f Inter Cash FRF FF 15823.28
f Inter Cash YEN Y 151562.00
INTER OPTIMUM
w BEF/LUF BF 78495.00
w Multidevises DM DM 2257.14
w US$ $ 1073.55
w FRF FF 11561.89
INTER STRATEGIE
w France FF 10828.57
w Europe du Nord £ 1840.12
w Europe du Centre DM 2722.80
w Europe du Sud Ecu 1854.12
w Japon Y 136333.00
w Amerique du Nord $ 1125.67
w Sud-Est Asiatique $ 918.69
BNP JERSEY
INTER CURRENCY
w DM DM 34.7162
w GBP £ 13.5720
w US$ $ 12.3131
INTER EQUITY
w Australia Class $ 10.32
w European Class $ 9.64
w French Offer FF 16.31
w North American Offer $ 12.23
w Pacific Offer $ 18.35
BROADGATE INTERNATIONAL FUND
d $ Money Market $ 14.37
d Non-$ Money Market DM 34.65
d $ Bond $ 14.83
d Non-$ Bond DM 32.54
d European Equities $ 9.85
d Global Equity $ 17.64
d Global Bond $ 15.46
d Global Bond & Equity $ 15.58
d Pacific Equities $ 11.86
d Prec. Mets / Min. Secs $ 4.95
CAISSE CENTRALE DES BANQUES POP.
w Fructilux Actions Euro Ecu 1201.27
w Fructilux Actions Fses FF 7057.82
w Fructilux Court Terme FF 6788.09
w Fructilux Oblig. Euro Ecu 1238.09
w Fructilux Oblig. Fses FF 6624.09
CALLANDER
w Callander Emer. Growth $ 122.48
w Callander F-Asset $ 93.25
w Callander F-Austria AS 1501.65
w Callander F-Spanish Pta 8993.80
w Callander Swiss Growth SF 138.24
CAPITAL INTERNATIONAL
w Capital Int'l Fund $ 94.60
w Capital Italia SA $ 37.44
CCF - GAMMA
w CM Actibonds $ 37.20
w CM Global Growth $ 10.37
w Elysees Court Terme FF 66506.96
w Elysees Long Terme FF 58309.21
w Elysees Monetaire FF 69720.84
w EMF D-Mark (A & B) DM 962.94
w EMF Dutch Gul. (A & B) Fl 1048.61
w EMF Ecu (A & B) Ecu 1027.40
w EMF Sterlings (A & B) £ 526.04
w EMF US Dollar (A & B) $ 1105.03
w EMF Yen (A & B) Y 97158.00
d Europe Prest. Fund A Ecu 9.57
d Europe Prest. Fund B Ecu 11.62
w Europe Smlr Cos. Fd A Ecu 13.37
w Europe Smlr Comp. Fd B Ecu 13.37
CDC INTERNATIONAL
w CFI Court Terme FF 137445.44
w CFI Long Terme FF 1217392.70
CIC GROUP
d Oblicic Court Terme FF 13379.92
d Oblicic Monetaire FF 13307.18
CITICORP INVESTMENT BANK (Lux)
POB 1373 Luxembourg Tel. 477 95 71
d Citinvest Guardian $ $ 1095.76
d Citinvest Guardian Euro Ecu 1154.21
d Citinvest Mngd Growth $ 1236.34
d Citinvest Mngd Grth Euro Ecu 1083.90
d Citinvest Selector $ 933.63
d Citicurrencies US$ $ 1473.54
d Citicurrencies Managed $ 125.49
d Citicurrencies STG £ 130.16
d Citicurrencies DEM DM 114.91
d Citicurrencies YEN Y 11087.00
d Citiport N.A. Equity $ 109.07
d Citiport Japan Equity Y 6238.00
d Citiport UK Equity £ 112.98
d Citiport IAPEC $ 138.58
d Citiport Cont. Euro. Equity Ecu 137.46
d Citiport Eamec $ 106.80
d Citiport German DM 84.76
d Citiport Swiss SF 92.50
d Citiport French Equity FF 1114.07
d Citiport N.A. $ Bond $ 128.46
d Citiport Euro Bond Ecu 117.87
d Citiport Asia Pacific Bond Y 11438.00
CITITRUST
w US $ Equities $ 221.81828
w US $ Bonds $ 13.91949
w US $ Money Market $ 14.28725
w Citiland $ 1000.47002
w Citiperformance Ptfl A+B $ 9.98618
m The Good Earth Fund $ 12.35765
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27267
w Bond : Dollar Med. Term $ 11.15
w Bond : Ecu Multicurr. Ecu 11.11
w Equity : United Kingdom £ 8.05
CREDIT AGRICOLE : MOSAIS
d Actions Int'l Diversifiees FF 111.38
d Actions Nord-Americaines $ 19.02
d Actions Japonaises Y 2104.23
d Actions Anglaises £ 12.83
d Actions Allemandes DM 33.81
d Actions Francaises FF 108.47
d Actions Esp. & Port. Pta 2531.36
d Actions Italiennes Lit 28022.80
d Actions Bassin Med. Ecu 17.94
d Actions Bassin Pacifique $ 15.81
d Actions Europeennes Ecu 15.82
d Actions Agro-Alimen FF 109.64
d Actions Sect. Comm. FF 186.51
d Oblig Int'l Diversifiees FF 118.84
d Oblig Nord-Americaines $ 15.92
d Oblig Japonaises Y 2072.62
d Oblig Anglaises £ 10.57
d Oblig Allemandes DM 31.52
d Oblig Francaises FF 114.08
d Oblig Esp. & Port. Pta 2229.93
d Oblig Italiennes Lit 26590.55
d Oblig Europeennes Ecu 17.89
d Oblig Haut Rendement FF 17.19
d Oblig Int'l Div Sensib Red. FF 118.87
d Oblig Convert. Intern. FF 115.35
d Court Terme Ecu Ecu 17.14
d Court Terme US$ $ 15.96
d Court Terme FF FF 112.51
CREDIT SUISSE
d Actions Suisses SF 565.700
d Bond Valor £ Sterling £ 93.045
d Bond Valor D - Mark DM 103.773
d Bond Valor Swf SF 96.238
d Bond Valor US - Dollar $ 118.295
d Bond Valor Yen Y 9451.382
d Canasec $ 522.222
d Convert Valor Swf SF 142.385
d Convert Valor US - Dollar $ 186.533
d CS Ecu Bond A Ecu 99.729
d CS Ecu Bond B Ecu 134.665
d CS Euro Blue Chips A DM 249.007
d CS Euro Blue Chips B DM 249.007
d CS Euro Finance Fd A DM 234.747
d CS Euro Finance Fd B DM 234.747
d CS Europa Bond A DM 271.514
d CS Europa Bond B DM 297.054
d CS Fixed I DM 8% 1/96 DM 104.918
d CS Fixed I Ecu 8 3/4% 1/96 Ecu 104.659
d CS Fixed I SF 7% 1/96 SF 105.183
d CS Gold Valor $ 108.351
d CS Gulden Bond A Fl 94.889
d CS Gulden Bond B Fl 118.402
d CS Hispano Iberia Fd A Pta 25277.100
d CS Hispano Iberia Fd B Pta 25277.100
d CS Money Market Fd £ £ 1882.664
d CS Money Market Fd $ $ 1610.816
d CS Money Market Fd C$ C$ 1088.464
d CS Money Market Fd DM DM 1398.670
d CS Money Market Fd Ecu Ecu 1080.808
d CS Money Market Fd Yen Y 129295.800
d CS Oeko-protec A DM 287.582
d CS Prime Bond A DM 90.058
d CS Prime Bond B DM 108.519
d CS Short-T. Bond $ A $ 101.165
d CS Short-T. Bond $ B $ 132.777
d CS Short-T. Bond DM A DM 96.874
d CS Short-T. Bond DM B DM 121.530
d CS Tiger Fund $ 607.968
d CSF Bonds SF 73.349
d CSF International SF 138.808
d Energie - Valor SF 147.073
d Europa - Valor SF 212.056
d Pacific - Valor SF 134.714
d Ussec SF 732.856
CSFB FUND MGMT Ltd (0481-713976)
PB123, St Peter Port, Guernsey
w Islamic Mgmt Fund Ltd $ 995.53
DIT INVESTMENT FFM
d Concentra + DM 46.28
d Int'l Rentenfond + DM 76.04
EBC TRUST CO. (Jersey) Ltd
1-3 Sele St, St Helier : 0534-36331
EBC AMRO TRADED CURRENCY FUND
d Capital $ 23.793
d Income $ 15.769
INTERNATIONAL INCOME FUND
w Long Term $ 33.9376
d Short Term A (Accum) $ 8.3343
d Short Term A (Distr) $ 0.3172
d Short Term B (Accum) $ 0.8166
d Short Term B (Distr) $ 0.5820
ECU FUTURES PLC (44 71 225 3011)
d Ecu plc Omega Fund £ 1.45
d Ecu plc Oil Fund £ 1.03
ELDERS INTL. MGMT SERVICES
see PRISM ASSET MANAGEMENT
EQUIFLEX LIMITED
w Europe A Fl 10.39
w North America A Fl 10.18
EURO PACIFIC ADVISERS Ltd
w Meteore Y 114974.00
w Pacific Horizon Invt. Fd $ 2223.70
FIDELITY INT'L INV. SERVICES (Lux)
d Balanced Ptfl Hedged $ 11.27
d Balanced Ptfl Unhedged $ 11.46
d Conv. Securities Ptfl $ 8.91
d Discovery Fund $ 17.74
d Dollars Saving Trust $ 186.97
d Far East Fund $ 72.81
d Fid. Amer. Assets $ 152.85
m Fid. Amer. Values III Com $ 88.69
m Fid. Amer. Values IV $ 111897.00
d Fid. Australia Fund $ 14.02
d Frontier Fund $ 26.05
d Global Ind Fund $ 15.16
d Global Selection Fund $ 13.81
d International Fund $ 15.59
d New Europe Fund $ 9.48
d Orient Fund $ 113.40
d Pacific Fund $ 346.41
d Special Growth Fund $ 37.23
d World Fund $ 75.04
FINAFUTURES FINLEY (1-809-322-5835)
w Finley Ptfl Fd (BVI) Ltd $ 1.87
FOKUS BANK A.S. 472 428 555
w Scanfonds Int'l Growth Fd $ 1.52
GAIA CURRENCY FUNDS
w Gaia Hedge I $ 120.72
w Gaia Hedge II $ 282.36
w Gaia Hedge III $ 70.87
m Gaia Guaranteed Cl. I $ 82.82
m Gaia Guaranteed Cl. II $ 94.73
GAM ANLAGEFONDS AG.
POB 164, 8034 Zurich Tel : 41-1-2516640
d GAM (CH) America SF 1448.00
d GAM (CH) Europe SF 77.80
d GAM (CH) Mondial SF 1382.00
d GAM (CH) Pacific SF 1953.00
GAM TRADITION ANGLEFONDS AG.
d GAM Tradition SF 904.00
GARTMORE FUND MANAGERS INT.
45, La Motte Street, Jersey 0534 27301
CAPITAL STRATEGY FD Ltd
d American Fund $ 1.499
d Asia Pacific Fund $ 2.188
d Australasian Fund $ 0.3355
d British Fund £ 2.488
d Canadian Fund C$ 0.8617
d Eastern European Fd DM 4.456
d Emerging Markets Fund $ 1.151
d European Fund DM 5.458
d Global Resources Fund $ 0.7400
d International Growth $ 2.971
d Japan Fund Y 627.3
d Ecu Bond Fund Ecu 0.9496
d Global Conv. Bond Fd $ 16.33
d International Bond $ 1.185
d Sterling Bond £ 1.066
d Austr. Dollar Deposit AS 1.027
d DM Deposit DM 5.097
d French Franc Deposit FF 10.20
d Sterling Deposit £ 1.031
d Swiss Franc Deposit SF 5.891
d US$ Deposit $ 1.813
d Yen Deposit Y 509.0
GARTMORE INDOSUEZ FUNDS 24/05/91
Tel : (352) 46 54 24 470
Fax : (352) 46 54 23
BOND PORTFOLIOS
d Deutsche Mark Bond DM 5.13
d Dollar bond $ 2.07
d European Bond Ecu 1.85
d Global Bond $ 2.02
EQUITY PORTFOLIOS
d Developing Markets $ 2.26
d Europe Ecu 1.35
d France FF 10.09
d International $ 2.11
d Japan Y 290.00
d Natural Resources $ 2.05
d North America $ 2.32
d Pacific $ 2.39
d Singapore/Malaysia SG$ 6.06
d Switzerland SF 2.70
d United Kingdom £ 1.15
RESERVE FUNDS
d Deutsche Mark Reserve DM 5.11
d Dollar Reserve $ 2.03
d French Franc Reserve FF 10.27
d Sterling Reserve £ 1.04
d Yen Reserve Y 263.00
GEFINOR FUNDS
London : 071-4994171, Geneva : 41-22355530
w East Investment Fund $ 716.94
w Scottish World Fund £ 210.1721
w State St. American $ 287.14
GENERALE BANK
(See also Interselex Group)
d Rentinvest $ 27.84
d Capital Rentinvest $ 142.83
d Rentinbel Distribution LF 9530.00
d Rentinbel Capitalisation LF 12078.00
GENESEE FUND Ltd
w (B) Genesee Short $ 80.45
w (C) Genesee Opportunity $ 114.87
w (E) Genesee Balanced $ 107.41
GLOBAL ASSET MANAGEMENT
11 Athol St.Douglas,I.of Man 44-624-626037
w GAM America Inc. $ 261.82
w GAM Arbitrage Inc. $ 242.76
w GAM ASEAN Inc. $ 185.01
w GAM Australia Inc. $ 126.30
w GAM Bond Fd Inc. £ £ 110.71
w GAM Bond Fd Inc. DM DM 92.39
w GAM Bond Fd Inc. SF SF 82.60
w GAM Bond Fd Inc. US Ord. $ 116.64
w GAM Bond Fd Inc. US Spe. $ 142.49
w GAM Bond Fd Inc. Yen Y 11465.00
w GAM Boston Inc. $ 311.20
w GAM Europe Fund $ 79.52
w GAM European Inc. $ 92.99
w GAM Franc-Val Inc. SF 195.05
w GAM France Inc. FF 1494.99
w GAM Global Fund $ 108.03
w GAM High Yield Inc. $ 97.32
w GAM Hong Kong Inc. $ 251.44
w GAM International Inc. $ 131.85
w GAM Japan Inc. $ 649.62
w GAM Mill-Mgr Deferred Cl $ 107.98
w GAM Mill-Mgr Fd Inc Allocs $ 112.67
w GAM Mill-Mgr Fd Trading $ 117.33
w GAM Mill-Mgr Fd IncGenEqs $ 112.35
w GAM Money Mkts Fd £ £ 105.86
w GAM Money Mkts Fd $ $ 103.01
w GAM Money Mkts Fd DM DM 108.85
w GAM Money Mkts Fd SF SF 108.85
w GAM Money Mkts Fd Yen Y 10302.00
w GAM North America Fund $ 114.73
w GAM Pacific Basin Fund $ 132.54
w GAM Pacific Inc. $ 343.98
w GAM Restr. Fund Inc. $ 142.35
w GAM Selection Inc. $ 383.80
w GAM Singap-Malay Inc. $ 262.93
w GAM Sterling Spec. Bd Fd £ 109.68
w GAM Swiss Fr Spec Bd Fd SF 96.40
w GAM Tyche S.A. Class A $ 229.54
w GAM U.S. Inc. $ 196.83
w GAM Univ. D-Mark Acc. DM 116.67
w GAM Univ. D-Mark Inc. DM 116.67
w GAM Univ. Dollar Acc. $ 109.74
w GAM Univ. Dollar Inc. $ 109.74
w GAM Univ. Spain Inc. SF 102.91
w GAM UT Inc. $ 422.46
w GAM Value Inc. $ 97.85
w GAM Whitethorn Fund Inc. $ 155.73
w GAM Worldwide Inc. $ 422.44
w GSAM Composite Inc. $ 243.45
GT MANAGEMENT PLC (44 71 222 44 44)
d G.T. ASEAN Fund $ 48.21
d G.T. Asia Fund $ 19.40
d G.T. Australia Fund $ 25.34
d G.T. Berry Japan Fund $ 29.34
w G.T. Biotech/Health Fd $ 17.76
d G.T. Bond Fund $ 17.07
d G.T. Deutschland Fund $ 12.15
d G.T. Dollar Fund $ 20.57
w G.T. Emerging Mkts Fd $ 9.94
w G.T. Euro Small Co Fd $ 31.48
d G.T. Europe Fund $ 31.48
w G.T. Global Small Co Fd $ 15.94
d G.T. Global Techno. Fd $ 17.36
d G.T. Hong Kong Fund $ 32.44
d G.T. Honshu Pathfinder $ 13.53
d G.T. Investment Fund $ 15.54
w G.T. Japan OTC Stocks Fd $ 13.44
w G.T. Japan Small Co Fd $ 17.57
w G.T. Korea Fund $ 5.86
w G.T. Latin America Fd $ 18.41
w G.T. Newly Ind Countr Fd $ 29.82
r G.T. Technology Fund $ 41.74
d G.T. UK Small Companies £ 7.85
w G.T. US Small Companies $ 15.78
GUINNESS FLIGHT FUND MANAGERS LTD
GUERNSEY
GUINNESS FLIGHT Glbl Strategy Fd Ltd
d Managed Currency Fd $ 35.95
d Global Bond Fd $ 30.51
d Global High Inc Bd Fd $ 22.64
d Gilt and £ Bd Fd £ 10.048
d Euro High Inc Bd Fd £ 21.02
d Global Equity Fd $ 64.88
d American Blue Chip Fd $ 22.73
d Japan and Pacific Fd $ 79.65
d UK Fund £ 21.51
d European Fund £ 90.28
GUINNESS FLIGHT Int'l Fd Ltd
d Deutschemark Money Fund DM 71.151
d Sterling Money Fund £ 22.545
d Swiss Franc Money Fund SF 54.788
d US Dollar Money Fund $ 35.042
d Yen Money Fund Y 7164.937
HILL SAMUEL INVEST. MGMT. INTL S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
d Crossbow (Far East) SF 14.86
d CSF (Balanced) SF 39.70
d European Equity Fund DM 18.42
d Int'l Bond Fund $ 13.16
d Int'l Currency US $ 27.98
d Int'l Currency US Mngd $ 29.52
d ITF Fd (Technology) $ 15.70
d O'seas Fd (N. America) $ 58.63
IAM, 2 Bd. Royal LUXEMBOURG
w IAM Bonds Fd-France A FF 642.67
w IAM Bonds Fd-Allem. B DM 221.56
w IAM Bonds Fd Japan C Y 10730.00
w IAM Bonds Fd Div. I FF 538.81
w IAM Europe Global Ecu 92.37
w IAM Europe Luxe Ecu 88.42
w IAM Europe 90/10 Ecu 112.31
w IAM Europe 1992 Ecu 96.51
w IAM Europe du Sud Ecu 88.52
d IAM Flagship Fund Ecu 78.16
INTERSELEX GROUP
d Int. America Sicav $ 18.21
d Int. Belga Sicav BF 2846.00
d Int. Europa Sicav LF 6235.00
d Int. Pacific Sicav $ 101.31
d Int. World Distr. Sicav $ 96.30
INVESCO MIM INT'L, POB 271, Jersey
Tel: 44 534 73114
d Amer. Inc & Growth $ 1.315
d Asia Super Growth Fund $ 13.07
d Dollar Mngd Curr $ 14.92
d Dollar Mngd Ptfl $ 2.229
d Gold & Prec. Metals $ 0.813
d Gtd. N.W. 1994 $ 8.39
d Int'l High Income $ 2.441
d Japan Dollar Perf. Fund $ 3.322
d Jersey Gilt £ 0.1775
d Nippon Warrant Fund $ 9.59
d Okasan Global Strat $ 17.36
d Pioneer Markets £ 3.026
d Sterling Mngd Curr £ 16.74
d Sterling Mngd Ptfl £ 1.697
d UK Growth £ 1.129
d Asia Tiger Warrant $ 1.61
d European Warrant $ 2.81
PREMIER SELECT FUNDS
d American Enterprise $ 4.41
d American Growth $ 5.19
d Asia Tiger Growth $ 5.46
d Dollar Reserve $ 5.05
d European Enterprise $ 5.08
d European Growth $ 4.88
d Global Emerging Markets $ 5.29
d Global Growth $ 4.92
d Nippon Enterprise $ 6.55
d Nippon Growth $ 4.97
d North American Warrant $ 5.71
ITALFORTUNE INTL. FUNDS
w Class A (Aggr. Growth Ital.) $ 45.17
w Class B (Global Equity) $ 10.45
w Class C (Global Bond) $ 10.75
w Class D (Ecu Bond) Ecu 10.33
JARDINE FLEMING, GPO Box 11448 Hg Kg
d JF ASEAN Trust $ 23.81
d JF Far East Wrnt Tr. $ 8.59
d JF Glbl Conv. Tr. $ 11.32
d JF Hong Kong Trust $ 88.16
d JF Japan Sm. Co Tr. Y 69734.00
d JF Japan Trust Y 17934.00
d JF Malaysia Trust $ 10.43
d JF Pacific Inc. Tr. $ 81.14
d JF Thailand Trust $ 12.92
JULIUS BAER GROUP
d Baerbond SF 905.00
d Conbar SF 1761.00
d D-Mark Baer Bond Fund DM 996.00
d Dollar Baer Bond Fund $ 1151.00
d Emerging Europe Fund DM 104.00
d Equibaer America $ 1942.00
d Equibaer Europe SF 1479.00
d Europe Bond Fund Ecu 111.90
d Liquibaer SF 2017.00
d SFR - BAER SF 1015.00
d Stockbar SF 2882.00
d Swissbar SF 2126.00
KIDDER, PEABODY
b Chesapeake Fund Ltd $ 1617.94
b Int'l Guaranteed Fund $ 1037.54
b Stonehenge Ltd $ 1278.90
b The Gbl Asset Alloc Fd Ltd $ 921.99
b The Krieger Curr. Fd Ltd $ 1000.00
KLEINWORT BENSON SELECT FUND
d British Fund Ecu 2.05
d Emerging Asia Fund Ecu 1.83
d European Fund Ecu 1.82
d International Fund Ecu 1.81
d Japanese Fund Ecu 1.87
d Kansallis World Fund FM 10.92
d North American Fund Ecu 2.31
d Pacific Fund Ecu 1.77
LIPPO ASIA LIMITED
w Java Fund $ 7.95
LLOYDS BANK PLC, POB 438, Geneva 11
Deals 41-22-3073208/Inquir. 41-22-3073218
w Lloyds Int'l Dollar + $ 111.10
w Lloyds Int'l Europe + SF 182.20
w Lloyds Int'l Growth + SF 204.30
w Lloyds Int'l Income + SF 266.00
w Lloyds Int'l N. America + $ 184.00
w Lloyds Int'l Pacific + SF 179.20
MAGNUM FUTURES FUND Ltd
m Deutschemark Class DM 28.74
m Sterling Class £ 5.35
m US Dollar Class $ 9.37
MALABAR CAP MGMT (Bermuda) Ltd
m Malabar Int'l Fund $ 18.96
MAN INTERNATIONAL FUTURES
m Global Mint Gtd. Fund Ltd $ 115.07
m Athena Diversified Fut. $ 9.79
m Athena Guaranteed Fut. $ 9.41
m Fbme Mint Gtd Plc $ 122.25
m Mint Gtd Ltd - Aug 1995 $ 12.63
m Mint Gtd Ltd - Dec 1994 $ 15.46
m Mint Gtd Ltd - Jan 1994 $ 17.54
m Mint Gtd Ltd - Nov 1993 $ 21.64
m Mint Gtd Ltd - Spec Issue $ 22.35
m Mint Limited - Income $ 14.95
m Mint Limited - Ordinary $ 45.13
m Mint Sp Res Ltd (BNP) $ 115.63
m Newcastle Guaranteed Ltd. $ 12.48
MERRILL LYNCH
d Dollar Assets Portfolio $ 1.00
d Iberia Portfolio $ 10.61
d Multi-Curr. Bond Ptfl Cl A $ 17.33
d Multi-Curr. Bond Ptfl Cl B $ 17.30
d USA Income Portfolio $ 9.37
d US Federal Securities Fd $
d Category A $ 9.74
d Category B $ 10.10
d World Nat Res Ptfl Sh A $ 11.15
d World Nat Res Ptfl Sh B $ 11.00
MERRILL LYNCH MLT NAT'L INV PFL
GLOBAL CURRENCY BOND SERIES
d Australian Dollar Ptfl
d Category A AS 13.86
d Category B AS 13.94
d Canadian Dollar Ptfl
d Category A C$ 11.29
d Category B C$ 11.33
d Deutsche Mark Ptfl
d Category A DM 10.55
d Category B DM 10.40
d Pound Sterling Ptfl
d Category A £ 11.68
d Category B £ 11.72
d US Dollar Ptfl
d Category A $ 11.49
d Category B $ 11.69
d Yen Portfolio
d Category A Y 1042.00
d Category B Y 1045.00
MERRILL LYNCH MLT NAT'L INV PFL
EQUITY CONVERTIBLE SERIES
BASIC VALUE PORTFOLIO
d Class A $ 10.59
d Class B $ 10.46
CONVERTIBLE SECURITIES PTFL
d Class A $ 10.94
d Class B $ 10.86
GLOBAL EQUITY PORTFOLIO
d Class A $ 9.41
d Class B $ 9.16
EURO EQUITY PORTFOLIO
d Class A $ 10.73
d Class B $ 10.06
MULTIMANAGER N.V.
w American Growth Fd $ 10.31
w European Curr. Bond Fd Ecu 10.34
w European Growth Fd Ecu 11.25
m Futures Fd $ 10.11
w Japanese Growth Fd Y 1147.00
w Forex Fund $ 9.57
m Emerging Markets Fd $ 12.68
NIMARBEN
w Class A $ 213.07
NMB BANK, PO 1800, 1000 BV Amsterdam
w NMB Dutch Fund Fl 41.30
d NMB Euromix Growth Fd LF 2298.00
d NMB Real Estate Fund Fl 39.80
w The Brazil Fund $ 8.99
NOMURA INTL. (HONG KONG) Ltd
d Nomura Jakarta Fund $ 8.84
NOMURA INVEST BANKING (M.E) E.C.
d Nomura Gulf Fund $ 8.56
OBLIFLEX LIMITED
w Multicurrency $ 24.74
w Dollar Medium Term $ 14.87
w Dollar Long Term $ 15.88
w Japanese Yen Y 3657.00
w Pound Sterling £ 18.51
w Deutsche Mark DM 13.61
w Dutch Florin Fl 13.87
w HY Euro Currencies Ecu 11.86
w Swiss Franc SF 10.99
w US Dollar Short Term $ 11.08
w HY Euro Curr Divid Pay Ecu 10.79
w Swiss Multicurrency SF 72.78
w European Currency Ecu 16.50
w Belgian Franc BF 102.30
w Convertible $ 11.39
w French Franc FF 116.47
w Swiss Multi-Dividend SF 9.21
w Canadian Dollar C$ 10.22
w Dutch Florin Multi Fl 11.79
w Swiss Franc Divid Pay SF 10.55
OLYMPIA Capital Intl. BVI
c/o OCM, 17 Av. George V, 75008 PARIS
Tel. 33-1-47230074
w Finsbury Group $ 143.35
w Olympia Securite $ 99.48
w Winch. Capital $ 102.10
w Winch. Frontier $ 245.82
w Winch. Ful. Olympia Star $ 100.34
w Winch. Hldg Int'l Madison Ecu 1076.77
w Winch. Hldg Int'l Ser D Ecu 1262.71
w Winch. Hldg Int'l Ser F Ecu 1262.67
w Winch. Hldg US$ $ 14.61
w Winch. Reser. Multi. Gvbd $ 14.30
PARIBAS-GROUP
d Cortexa International $ 108.41
d Ecophenix Ecu 193.84
d Luxor $ 8.00
d Moneyflow LF 10291.00
d Par US Treas. Bond Cl B $ 148.51
d Parinter Bond Fund $ 13.51
d Parinter Fund $ 219.42
w Parvest Obli-DM A DM 1193.08
w Parvest Obli-DM B DM 1429.54
w Parvest Obli-Dollar A $ 1184.70
w Parvest Obli-Dollar B $ 1434.41
d Parvest Obli-Franc A FF 1370.02
d Parvest Obli-Franc B FF 1493.55
w Parvest Obli-Gulden A Fl 954.76
w Parvest Obli-Gulden B Fl 1281.78
w Parvest Obli-Sterling £ 111.98
w Parvest Obli-Yen A Y 101648.00
w Parvest Obli-Yen B Y 123568.00
PERMAL GROUP
b Draldcar Growth $ 2190.74
b EuroMir (Ecu) Ltd Ecu 1299.25
b Medio Ltd $ 952.10
b Noscal Ltd $ 1645.28
w Updyke Ltd $ 275.00
b Value N.V. $ 2078.52
PICTET & CIE - GROUP
b Eur. Opportunity (Lux) Ecu 107.59
b Eurovol (Lux) Ecu 168.25
b Global Value (Lux) Quant. Ecu 128.21
m Int'l Small Cap (IOM) $ 307.90
d Pictet Valsuisse (CH) SF 447.95
PIERSON, HELDRING & PIERSON N.V.
Rokin 55, 1012kk, Amsterdam (20-5211188)
w Asia Pac. Growth Fd N.V. $ 31.85
w Asian Selection Fd N.V. Fl 54.90
w DP Amer. Growth Fd N.V. $ 31.42
w Environment Growth Fund Fl 54.89
w Eur. Growth Fund N.V. Fl 61.84
w Japan Diversified Fund $ 45.94
w Leveraged Cap Hold. $ 384.44
w Tokyo Pac. Hold. N.V. $ 229.70
PRISM ASSET MANAGEMENT
(212) 332-1032 advisor to :
d Conqueror $ 92.96
d Prism Fut. Fd (EFF) $ 298.17
d PTJ $ 117.46
d Rainbow $ 121.47
PUTNAM
d Emerging Hlth Sc. Trust $ 28.27
w Putnam Em. Info. Sc. Trust $ 17.43
d Putnam Glob. High Growth $ 13.80
d Putnam High Inc. GNMA Fd $ 9.13
d Putnam Int'l Fund $ 12.27
PYRFORD, SWITZ (908) 25 17 25
w Pyrford Australian AS 96.00
w Pyrford Int'l SF 103.50
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
d Robeco Fl 98.70
d Rodamco Fl 55.40
d Rolinco Fl 97.30
d Rorento Fl 66.00
ROTHSCHILD AST. MGT.
w Tokyo Pacific Hldgs (Sea) $ 167.37
ROYAL B. CANADA, POB 246, GUERNSEY
w RBC British Fund Ltd + £ 5.122
w RBC Canadian Fd Ltd + C$ 13.81
w RBC European Fund + $ 17.85
w RBC Far East & Pac. Fd + $ 42.05
w RBC Int'l Bond Fund Ltd + $ 13.37
w RBC Int'l Capital Fund + $ 54.68
d RBC Mngd Currency Fd + $ 43.33
w RBC North America Fd + $ 15.28
SAFRA REPUBLIC HOLDING
w Republic (Gnsey) $ Inc Fd $ 9.87
w Republic Gam Fund $ 104.15
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
w Equity Int'l Acc $ 13.47
w Equity Int'l Inc $ 11.42
w Equity Global $ 1.38
w Equity For East $ 2.14
w Equity Gold $ 0.64
w Equity Japan Y 129.00
w Equity Nordic $ 1.40
w Equity U.K. £ 1.37
w Equity Continental Europe $ 1.27
w Equity Mediterranean $ 1.43
w Equity North America $ 1.47
w Bond Int'l Acc $ 9.59
w Bond Int'l Inc $ 6.80
w High Income Acc $ 1.33
w High Income Inc $ 1.02
w Bond Sweden SKr 13.18
w Bond DEM DM 0.99
w Bond Dollar $ 7.11
w Multicurrency $ 1.34
w Enskilda Int'l Bond $ 101.59
SOCIETE GENERALE GROUP
SOGELUX FUND (SF)
w SF Bonds A U.S.A. $ 13.04
w SF Bonds B Germany DM 24.27
w SF Bonds C France FF 97.14
w SF Bonds D Switz SF 21.17
w SF Bonds E G.B. £ 9.32
w SF Bonds F Japan Y 1491.00
w SF Bonds G Europe Ecu 13.64
w SF Bonds H World Wide $ 13.32
w SF Bonds J Belgium BF 627.00
w SF Eq. K North America $ 13.31
w SF Eq. L W. Europe Ecu 13.21
w SF Eq. M Pacific Basin Y 1495.00
w SF Eq. N France FF 78.00
w SF Eq. P Growth Countries $ 13.85
w SF Eq. Q Gold Mines $ 10.21
w SF Eq. R World Wide $ 12.61
w SF Short Term S France FF 131.36
w SF Short Term T Eur. Ecu 12.89
SOGELUX INDEX FUND (SIF)
w S.I.F. France Capital FF 1022.17
w S.I.F. France Distrib. FF 1022.17
w S.I.F. GB Capital £ 113.12
w S.I.F. GB Distrib. £ 113.12
w S.I.F. Japan Capital Y 14007.00
w S.I.F. Japan Distrib. Y 14007.00
w S.I.F. US Capital $ 172.40
w S.I.F. US Distrib. $ 172.40
w S.I.F. World Capital $ 136.71
w S.I.F. World Distrib. $ 136.71
SODITIC ASSET MANAGEMENT INC.
w SAM Diversified Inc. $ 111.26
w SAM Strategy Inc. $ 96.78
SVENSKA HANDELSBANKEN S.A.
146 Bd de la Petrusse, L-2330 Luxembourg
w Neptune Maritime Fund $ 8.22
b SHB Bond Fund $ 48.66
w Svenska Sel. Fd Amer Sh. $ 12.84
w Svenska Sel. Fd Germany DM 9.08
d Svenska Sel. Fd Int'l Bd Sh. $ 11.27
w Svenska Sel. Fd Int'l Sh. $ 49.54
w Svenska Sel. Fd Japan Y 522.82
d Svenska Sel. Fd Nordic Sh. $ 10.30
w Svenska Sel. Fd Pacif Sh $ 4.88
d Svenska Sel. Fd S/T Ass Sh $ 10.60
w Svenska Sel. Fd Swed Bds SKr 1045.81
SWISS BANK CORP. (Issue Prices)
d America Valor $ 306.76
d Anglo Valor £ 192.91
d Asia Portfolio SF 552.58
d Convert Bond Selection SF 96.13
d D-Mark Bond Selection DM 107.47
d Dollar Bond Selection $ 134.60
d Ecu Bond Selection Ecu 99.84
d Florin Bond Selection Fl 111.80
d France Valor FF 1482.71
d Germania Valor DM 481.58
d Gold Portfolio SF 311.81
d Iberia Valor Pta 58867.00
d Ital Valor Lit 418975.00
d Japan Portfolio Y 38032.00
d SBC £ MMF £ 2361.51
d SBC 100 Index Fund SF 1108.00
d SBC DM Short A/B DM 1054.59
d SBC Ecu MMF Ecu 2751.37
d SBC Euro Stock Ecu 162.00
d SBC Str Bond A SF 1038.08
d SBC Str Bond B SF 1121.67
d SBC US$ MMF $ 6522.47
d SBC Yen MMF Y 535073.00
d Sterling Bond Selection £ 105.67
d Sw. Foreign Bond Selection SF 101.25
d Swissvalor SF 384.75
d Universal Bond Selection SF 75.25
d Universal Fund SF 106.47
d Yen Bond Selection Y 10906.00
T. ROWE PRICE ASSOCIATES INC.
m T. Rowe Price Frontier Ltd $ 10.47
TEMPLETON W.WIDE INVESTMENTS
GROWTH PORTFOLIO
d Class A-1 $ 9.98
d Class A-2 $ 10.73
d Class A-3 $ 10.17
d Class B-1 $ 9.81
d Class B-2 $ 10.56
INCOME PORTFOLIO
d Class A $ 10.98
d Class B $ 10.90
TERMINVEST Tel : 4870.93.89
m Dual Futures Fd Cl D Units $ 104.61
m Galaxy Futures Fund Ltd $ 111.00
THORNTON MANAGEMENT Ltd
d Eastern Crusader Fund $ 9.29
w Global Access Fund $ 9.82
d Pacif Invt Fd SA £ £ 9.40
d Pacif Invt Fd SA DM DM 28.34
d Pacif Invt Wrnt Fd SA £ £ 4.60
d Pacif Invt Wrnt Fd SA DM DM 13.58
d Thor. Litt Dragons Fd Ltd $ 22.02
d Thornton HK Gateway Fd $ 16.42
d Thornton Int'l Opp. Fd $ 1.73
d Thornton Japan Fund Ltd $ 38.54
d Thornton Orient Inc Fd Ltd $ 21.95
w Thornton Phil. Redev. Fd $ 23.74
d Thornton Tiger Fd Ltd $ 31.35
NEW TIGER SEL. FUND
d Indonesia $ 7.29
d Malaysia $ 10.57
d Thailand $ 9.12
UEBERSEEBANK Zurich
d B - Fund SF 998.60
d E - Fund SF 543.27
d J - Fund SF 358.16
d M - Distribution SF 95.25
d M - Fund SF 1056.85
d UBZ Euro-Income Fund SF 9.70
UNION BANK OF SWITZERLAND
d Amca American Shares SF 41.80
d Bond-Invest SF 59.00
d Brit-Invest Shares SF 754.00
d D-Mark-Invest Bonds DM 201.60
d Dollar-Invest Bonds $ 115.10
d ESPAC Spanish Shares SF 200.00
d Eurit SF 327.50
d Fonsa Swiss Shares SF 211.00
d Francit Shares SF 170.50
d Germac Shares SF 190.50
d Globinvest Shares SF 186.00
d Gold Invest Shares SF 172.50
d Holland-Invest Shares SF 224.00
d Itac Shares SF 194.50
d Japan-Invest Shares SF 1262.00
d Sima (stock price) SF 232.50
d Skandinavien-Invest SF 244.00
d UBS Money Mkt Invest $ 1040.04
w Yen-Invest Bonds Y 83243.00
UNION INVESTMENT Frankfurt
d Unifonds DM 34.80
d Unirak DM 74.25
d Unirenta DM 37.20
d Unizins DM 108.05
UNIVERSAL GROUP OF FUNDS
d Universal Global C$ 5.88
d Universal Cdn. Equity C$ 10.08
d Universal Cdn. Ressources C$ 4.34
d Universal American C$ 9.14
d Universal Pacific C$ 9.36
d Canada Guar. Mortgage Fd C$ 14.78

Other Funds
r Actircoissance FF 471.56
d Actifinance Int'l $ 1012.44
w Actifutures Ltd $ 1112.62
w Actinvest FF 1279.96
w Activest Int'l $ 27.31
w Aquila International Fund $ 268.02
b Arione $ 4707.78
d Asia Oceania Fund $ 9.51
m Associated Investors Inc. $ 794.35
b Atlantic Fund $ 12.50
r Australia Fund $ 17.80
w Balfour Maclaine Series 1 $ 944.85
w BDD Inv Fund-Ecu Bd Ecu 5481.88
w BEM International $ 6.35
w Bondselex-Issue Pr. SF 182.68
m Cal Futures 1998 Fd Ltd $ 25.52
d CB German Index Fund DM 127.79
w CMI Investment Fund $ 1483.80
d Colbert Croissance FF 75.17
d Colbert Finances FF 117881.96
d Colbert Tresor FF 1710.54
w Convert. Fd. Int'l A Certs $ 17.40
w Convert. Fd. Int'l B Certs $ 60.34
w Comber Int'l N.V. $ 228.21
d D. Witter Wld Wide Ivt Tst $ 25.64
w D.G.C. $ 214.17
w Daiwa Japan Fund Y 3202.00
w Diss Income Fund FR 38.60
d Dreyfus America Fund $ 19.38
w Dumelux Americas $ 1034.73
w Dumelux Asia Pacifique $ 1034.73
w Dumelux Bonds Plus $ 1051.64
w Dumelux Europe Ecu 1056.14
w Dumelux France FF 6334.92
w Dumelux Opportunit $ 1034.23
w Dumenil Arbitrage Fd NV $ 741.21
w Eps Overseas Fund Ltd $ 1125.80
d Emi Belg. Ind. Plus (A) BF 8919.00
d Emi Belg. Ind. Plus (B) BF 8919.00
d Emi France Ind. Plus (A) FF 845.22
d Emi France Ind. Plus (B) FF 845.22
d Emi Germ. Ind. Plus (A) DM 92.11
d Emi Germ. Ind. Plus (B) DM 92.11
d Emi UK Index Plus (A) £ 99.72
d Emi UK Index Plus (B) £ 99.72
d Espir. Sto Inv M.Ecu Bd Fd Ecu 9.48
w Espir. Sto Inv M Stlt Eur Fd $
w Esprit Sicav Ecu 1215.02
d Euroscol FF 1038.41
d Europe 1992 $ 9.39
d Europe Obligations Ecu 80.57
w F.I.T. Fund FF FF 121.82
w F.M.P. Portfolio $ 0.5285
w Fairfield Int'l Ltd $ 143.35
w Fairfield Sentry Ltd $ 221.58
w Fairfield Strat. Ltd $ 84.25
m Fatum Fund $ 887.11
w First Eagle Fund $ 3029.80
m First Frontier Funds $ 71.86
w FL. Trust Switzerland SF 95.25
d Fondltalia $ 88.73
w Forexlux Issue Pr. SF 150.80
d Force Cash DM Sicav DM 5264.44
d Force Cash Ecu Sicav Ecu 2685.18
d Force Cash FF Sicav FF 15649.18
d Force Cash US$ Sicav $ 3119.69
d Forexlund Limited $ 9.13
w Formula Selection Fd SF 64.08
d Frankl-Trust Effekten Fd DM 161.82
d Frankl-Trust Interzins DM 48.20
m Gems Progressive Fd Ltd $ 1187.86
w George V Inv. Bond F. $ 21.57
m German Sel. Associates DM 1583.08
d Green Line France FF 128.14
w Hasenbichler Com AG $ 1546.00
w Haussmann Hldgs. N.V. $ 1342.27
d Henisch T.F. SF 10920.00
w Hestia Funds $ 148.82
w Horizon Fund FF 18571.34
w Ibex Holdings Ltd SF 184.38
w IFDC Japan Fund Y 31198.00
r ILA-IGB $ 1.35
r ILA-IGS $ 9.94
r Int'l Securities Fund Ecu 37.84
m Interface Fund Ltd $ 156.69
d Interfund SA $ 43.81
w Intermarket Fund $ 489.19
w Intersec SA $ 3733.75
d Investa DWS DM 74.83
d Investmentor Fund $ 107.18
m J. Capel Guaranteed Fund $ 10.71
w Japan Pacific Fund $ 223.35
w Japan Selection Asses Y 10928.00
w Japan Selection Fund $ 230.93
d JJ Placement FF 12825.43
w JWH Worldwide Fund $ 9.24
d Kenmar Guaranteed $ 9.53
w Kenmar Int'l - B $ 10715.00
d Kenmar L/C $ 8.50
m Key Hedge Fund Inc $ 108.17
d KML-II H. Yield $ 605.98
w Korea Growth Trust $ 30.69
w LACO International $ 5.45
w Laumi Val. Francaises FF 1009.99
m London Portfolio G'td. I $ 89.71
m London Portfolio G'td. II $ 8.26
m London Portfolio Services $ 9.48
w Luxfund $ 107.72
m Lynx Sel. Holdings SF 121.20
w M.Kingdon Offshore, N.V. $ 8.52
m Maritime Fund Int'l Ltd $ 900.56
w Mat Growth ESCF DM 20.15
w Mat Growth USCF $ 11.42
w Matterhorn Offshore Fd $ 9314.47
w MBE Japan Fund LF 3178.00
m MCM Int. Limited $ 133.57
d Mediolanum Sel. Fd $ 37.33
w Moore Global Invts. Ltd $ 2353.14
d NCA Fund $ 10.79
w Nippon Fund $ 109.00
d NM Inc. & Growth Fund $ 17.62
m NMT Asian Sel. Portfolio $ 204.11
m NMT Citadel Bond SF 117.43
m NMT Nastec Portfolio $ 132.38
d Nomura-Cap Int'l Eq Fd $ 14.70
d Nordmix Lit 11846.80
w Novaurope Ecu 2841.08
m NSP F.I.T. Ltd $ 10.28
m Oppenheimer U.S. Arb. $ 132.51
w Optimum Fund $ 1359.98
m Overlook Performance $ 1519.87
d Pacific Nies Fund $ 7.32
d PAM Futures Trad. $ 433.52
w Pancurri Inc. $ 149.76
m Paragon Fund Limited $ 16.47
w Plurivest International FF 115.22
d Precision Fd Ltd $ 72.82
d Profirent S.A. DM 1893.36
w Pross. I.H. Inc. P.F. $ 3.70
w Puget-Maite Barclays Pac. $ 171.00
w Quantum Fund N.V. $ 15304.10
m Quark Int'l Trad Prop. $ 9145.36
w Quasar Fund N.V. $ 182.19
d SAGA Court Terme FF 1244.91
d SAGA France FF 453.86
d SAGA Long T. Capital FF 1154.73
d SAGA Perspectives FF 1040.08
d SAGA Premiere FF 1232.71
w Samarai Portfolio SF 287.80
d Sanyo Kie. Spain Fd $ 10.71
w Saralcreek Holding n.v. $ 10.20
d Saturn Fund $ 11432.97
d SCI / Tech. SA Luxembourg $ 10.57
m Scimitar Guar. Curr Fd $ 9.54
m Scimitar Guaranteed $ 8.52
m Securafund 2000 Ltd $ 3.00
m SLH Guar. F.F.I. $ 1061.00
w SP International SA $ 6480.03
d Strat. Int'l Gold Fund SA $ 4.76
m Sussex McGarr $ 1024.00
w Techno Growth Fund SF 53.07
d Templeton Global Inc. $ 10.17
d The Petrus Fund Ltd $ 1.06
w Thema M-M Futures $ 953.10
m THC (OTC) Jap. Fd Sicav $ 13.45
w Transpacific Fund Y 28974.00
d Triton Offshore Class A $ 353.84
d Triton Offshore Class B $ 322.97
d Tudor B.V.I. Futures Ltd $ 6357.36
d Turquoise Fund $ 286.46
m Tweedy Browne (UK) n.v. £ 1373.17
w Tweedy Browne n.v. Cl A $ 2798.57
w Tweedy Browne n.v. Cl B $ 1745.80
d Uni Bond Fund Ecu 1289.46
r Uni Capital Fund Ecu 1234.95
d Unico Equity Fund DM 62.77
d Unico Inv. Fund DM 78.50
m Unitrad SUS $ 1091.84
m Unitrad FF FF 11342.97
m Unitrad SF SF 1114.33
d Univers Bonds DM 148.94
w Uraus Int'l Ltd $ 8538.80
w Vanderbilt Assets $ 16.44
m Victor Futures Fund $ 215.15
w Willer Asian Fund $ 10.87
w Willerbond Capital $ 14.76
d Win Global Fd Bd Ptfl Ecu 104.92
d Win Global Fd Eq Ptfl Ecu 112.51
d Win Global Fd Res. Ptfl SF 204.17
d World Balanced Fund S.A. $ 72.41
w Worldwide Securities $ 48.21
w Worldwide Special $ 861.25
m Zweig Int'l Ltd S/S $ 11988.00

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For information on how to have your fund listed, fax Simon OSBORN on (33-1) 46 37 52 12.

German Inflation Is Seen Under 4%

Reuters

FRANKFURT — German inflation will rise later this year but the rate will stay below the 4 percent level forecast by some economists, Helmut Schlesinger, vice president of the Bundesbank, said on Monday.

Mr. Schlesinger's comments came as the government reported that producer prices in Western Germany rose 0.9 percent in April from March and were up 2.2 percent from April 1990. The year-to-year rate was up from 1.8 percent in March.

Meanwhile, Germany's 120,000 paper-industry workers agreed to a new contract that gives them a 7.0 percent wage increase but commits them to working on Saturdays.

The rise was slightly higher than the 6.7 percent increase agreed upon in the engineering industry last month.

Mr. Schlesinger, who is expected to replace Karl Otto Pöhl as president of the central bank later this year, said he would not endorse private forecasts for a 4 percent inflation rate.

But, in an interview in the Suddeutsche Zeitung, he said tax rises to fund German unity would push inflation above 3 percent in the second half.

■ Funds Sought in East

Economics Minister Jürgen Möllemann said companies had applied for 10 billion Deutsche marks ($5.8 billion) of incentives to invest in Eastern Germany, Reuters reported from Bonn.

EC Commission Split On Limiting Mergers

Reuters

BRUSSELS — The European Commission is deeply split over how far it should go to limit big corporate mergers as the European Community heads toward its post-1992 single market, Commission sources said Monday.

At issue is whether the Commission, which acts as the EC's cartel office, should stop alliances affecting small or isolated parts of the Community or concentrate on deals with a broad impact.

Competition Commissioner Sir Leon Brittan favors a tough line against industrial link-ups even if they restrict competition in only one region of the trading bloc. But most of his colleagues argue that the Commission should only act if a merger threatens to curb competition across the Community.

Sources said the split surfaced in January when the Commission began investigating a merger between the car battery divisions of Fiat SpA and the French engineering group Alcatel-Alsthom. The deal would have given Fiat a big chunk of the French battery market.

The Commission gave the merger the go-ahead last week after Fiat's subsidiary, Magneti Marelli, agreed to curb its share of the French battery market by selling its stake in another French battery manufacturer.

But sources said the fundamental split over which markets should come under Commission scrutiny remains unresolved and is likely to resurface with future cases.

Airlines Decry EC Ration Plan

They Oppose Redistribution of Landing Slots at Airports

Reuters

BRUSSELS — Europe's major airlines came out Monday against an EC Commission plan to ration slots at airports in the European Community.

A statement by the Association of European Airlines said the airlines knew of no other sector where existing operators were ordered to relinquish part of their facilities to make room for new participants.

Under the proposal, airlines holding more than an agreed number of daily take-off and landing slots could be obliged to put some in a basket to be redistributed to smaller airlines.

EC member states oppose the proposal and have so far blocked any discussion at ministerial level, diplomats said.

The airlines association said the move to ration slots was a "deliberate attempt to avoid tackling the real problem," which it said was "the air-transport infrastructure."

The association's views on the EC policy of forging a single market have been laid down in a white paper to be presented soon to the EC's executive, the group said.

The paper will underscore the need to avoid hindering the airlines' performance for the sake of harmonization.

European airlines said at last week's assembly that although their performance was improving now the Gulf war had ended, they expected to have lost at least one year's traffic growth by the end of the year.

Earlier this month, the AEA said *European air traffic had started to* recover slowly since hostilities in the Gulf ended.

Data provided by the association's 22 member airlines showed that passenger and freight traffic in March was down 14.3 percent from a year ago.

■ VAT Exemptions Seen

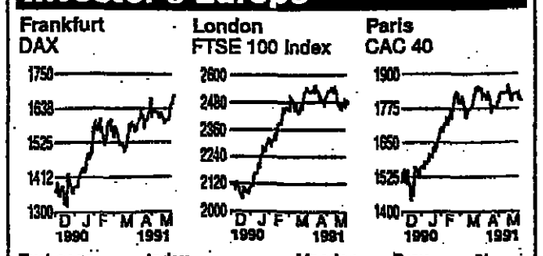
Britain, Ireland and Portugal may be permitted to charge no value-added tax on some products after 1992, the EC taxation commissioner, Christiane Scrivener, said Monday, Reuters reported from *Brussels*.

She told the Portuguese Industry Federation in Lisbon, "The Commission is ready to accept, as part of a global compromise, the already existing zero rates, provided that they don't provoke competitive distortions."

Zero rating is one of the most controversial aspects of Community negotiations over the exact indirect tax rates members must apply in the single market after 1992.

The three countries that do not charge VAT on some products — children's clothing and books in Britain are examples — want to maintain this practice in the single market.

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	94.10	93.80	+0.32
Brussels	Stock Index	5765.52	5790.41	-0.43
Frankfurt	DAX	1681.45	1671.87	+0.57
Frankfurt	FAZ	704.88	700.12	+0.68
Helsinki	HEX	1081.40	1078.80	+0.24
London	Financial Times 30	Closed	1930.80	-
London	FTSE 100	Closed	2471.10	-
Madrid	General Index	283.35	283.39	-0.01
Milan	MIB	1152.00	1147.00	+0.44
Paris	CAC 40	1801.52	1804.83	-0.18
Stockholm	Affarsvarlden	1055.20	1041.60	+1.35
Vienna	Stock Index	566.60	565.94	+0.12
Zurich	SBS	631.20	626.10	+0.81

Sources: Reuters, AFP International Herald Tribune

Japanese Banks Threaten To Boycott Italian Firms

Reuters

ROME — Japanese banks are threatening to deny Italian public-sector companies new loans unless the debts of the farm holding company Federconsorzi are fully honored, banking sources said Monday.

"I don't know whether they are bluffing, but they are saying they will hesitate to join in any more loans if they are not paid," said one source in the international loans department of a major Italian bank.

Federconsorzi, a grouping of 73 regional agricultural holding companies, was placed in receivership by the Agriculture Ministry just over a week ago with 4.25 trillion lire ($3.34 billion) in debts.

Agriculture Minister Giovanni Goria wants creditor banks to write off interest on loans for this year and accept a flat 10 percent rate on interest due for 1989 and 1990.

Although the foreign loans amount to only some $450 million, the collapse of the grouping risks a fresh blow to Italy's image on international credit markets, banking sources said.

Pechiney in Deal For Usinor Unit

Reuters

BRUSSELS — The EC Commission said Monday it was vetting a deal in which the French aluminum group Pechiney SA would take a 66 percent stake in a metal-processing company owned by the steelmaker Usinor Sacilor SA.

Pechiney plans to contribute assets to Oloron Frittage, the Usinor unit, and obtain a 66 percent stake in the company.

The Commission, the EC executive, said the companies had notified it of the deal for clearance. It has one month to approve the deal or launch an inquiry on the grounds that the venture could reduce competition.

Bic Talks About Sale Of a Stake

Compiled by Our Staff From Dispatches

PARIS — Société Bic is in preliminary talks about selling a minority stake in the razors, pens and perfumes group and in its U.S. subsidiary, Bic Corp., Chairman Marcel Bich said on Monday.

Bic said the talks were the result of an approach from a *company it did not identify.*

Mr. Bich said at the Bic annual stockholders meeting that the Bich and Buffart families intended to maintain control over Bic and its U.S. unit. At the end of 1990, the Bich family controlled more than one-third of Bic and Bic Corp. and the Buffart family held more than 10 percent.

Bic's stock rose 26 francs to close at 746 francs on the Paris Bourse after the announcement. Earlier this year, U.S.-based Sara Lee Corp., which has already acquired Dim stockings from Bic, was mentioned as a possible buyer for the company.

Bic's profit fell 22 percent in 1990 to 314 million francs ($54 million). *(Reuters, AFP)*

Conde Denies New Banesto Merger

Reuters

MADRID — Mario Conde, the controversial chairman of Banco Español de Crédito SA, or Banesto, is again surrounded by merger speculation three years after staving off one hostile bank bid and later seeing a merger with another fall through.

The 42-year-old head of Spain's third-largest bank returned to the spotlight at Saturday's annual meeting after two big mergers this month changed the banking picture significantly.

Mr. Conde said he was not interested in mergers for now.

"I do not favor mergers just to get bigger, we have our own growth strategy," he said. "But it depends on circumstances."

But this month's integration of public-sector banks into Spain's largest banking institution and the agreement by Banco Central SA and Banco Hispano Americano SA to merge, have once again unsettled Spain's lively bank sector.

The moves left Banesto and Banco Santander SA as apparent also-rans among the top banks, prompting speculation that they would have to link up to stay competitive. Both Mr. Conde and Santander's chairman, Emilio Botin, deny any such intentions.

"There is no possibility of a Santander merger," Mr. Conde told a group of journalists.

Banesto's assets have jumped 80 percent to more than 5 trillion pesetas ($47 billion) since Mr. Conde took over.

Economy Minister Carlos Solchaga Catalán has been advocating mergers to defend Spanish banks against competition in the European Community market.

But Mr. Conde commented: "The idea that state-owned banks can stimulate the private sector is outdated." He criticized official reserve requirements on private banks, which he said effectively had financed the new state banking corporation.

Despite his reservations, the fact that the Central-Hispano merger has displaced Banco Bilbao Vizcaya SA as Spain's largest private bank has now fueled the idea of a Banesto-Bilbao Vizcaya deal to put it back on top.

Mr. Conde said only that Banesto "has excellent relations with BBV" and that "we are ready to study any option."

Santander, which pioneered competition for deposits in Spain, has built up 300 billion pesetas in liquidity, which analysts see as an war chest for acquisitions.

Some say the potential threat of Santander gobbling up Hispano was the real reason for its merger with Central.

Banesto last year appeared vulnerable, due to big losses in the market value of its industrial group, for which the Bank of Spain, the central bank, said it had to make provisions.

BBV Selling Extremadura To Caixa Geral

Reuters

MADRID — Banco Bilbao Vizcaya SA said Monday it had agreed to sell Banco de Extremadura SA to the Caixa Geral de Depositos de Portugal for 15 billion pesetas ($142 million).

BBV, which earlier this month completed the purchase of *Lloyds Bank PLC's* branch network in Portugal for £115 million ($195.5 million), said it and the Caixa plan to distribute financial products through their respective networks.

A BBV spokesman said the products will include leasing and insurance in a first instance. He said the Caixa purchase of Banco de Extremadura was in cash, with no share swap involved.

FARM: *Hurdles Remain on Trade*

(Continued from first finance page)

fast-track authority removes one of two main sources of uncertainty," Rubens Ricupero, a Brazilian who is chairman of GATT in Geneva, told Reuters.

But "the second source of uncertainty — the lack of a clear and unequivocal sign that we are going to make progress on agriculture — *still remains*," he added.

Brazil is a leading member of the Cairns Group of 14 farm-exporting nations that, along with the United States, insists Europe and Japan must agree to sharp reductions in agricultural protectionism.

While agriculture remains the biggest obstacle to an agreement, it is also not clear that the United States is prepared to sheath its favorite trade weapon, the Super 301 authority Congress gave the White *House in 1988 to use against countries* deemed by Washington to be pursuing "unfair" trade practices.

With a big push from the OECD ministerial meeting next week in Paris, trade negotiators in Geneva want to jump into the tougher political questions that haunt them rather than the technical issues they have focused on.

Several trade delegations, including the United States, argue that officials will fall behind schedule again if they wait until the economic summit of the seven largest industrial democracies in mid-July to resume serious talks. They want Arthur Dunkel, GATT's director-general, to present a framework paper on agriculture for the seven leaders to endorse.

Mannesmann Predicts Fall In 1991 Profit and Sales

Compiled by Our Staff From Dispatches

DUSSELDORF — Mannesmann AG, the steel and engineering group, said Monday that sales had fallen 12 percent in the first four months of the year and that it expected sales, orders and profits to be lower for all of 1991.

Werner Dieter, chairman of the management board, said group net profit was lower in the first four months, but he did not give any figures.

Sales in that period fell 12 percent from a year earlier to 6.5 billion Deutsche marks ($3.8 billion), he said, while incoming orders fell 8 percent to 8.0 billion DM.

"Group orders, sales and profits will probably not reach last year's level," Mr. Dieter said at a news conference.

Discounting changes in the structure of the group, the fall in sales in the first four months was only 10 percent, the company said. The capital-equipment sector, which makes the biggest contribution to sales, showed a fall of 3 percent to 4.3 billion DM.

Mr. Dieter also said that Mannesmann would continue to expand into housebuilding and plumbing as part of its strategic aim of expanding its presence in the services sector. *(Reuters, AFP)*

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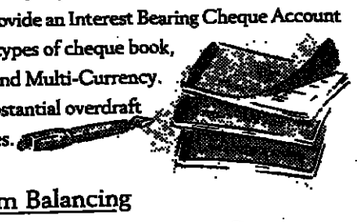

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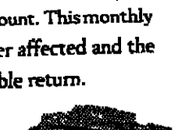

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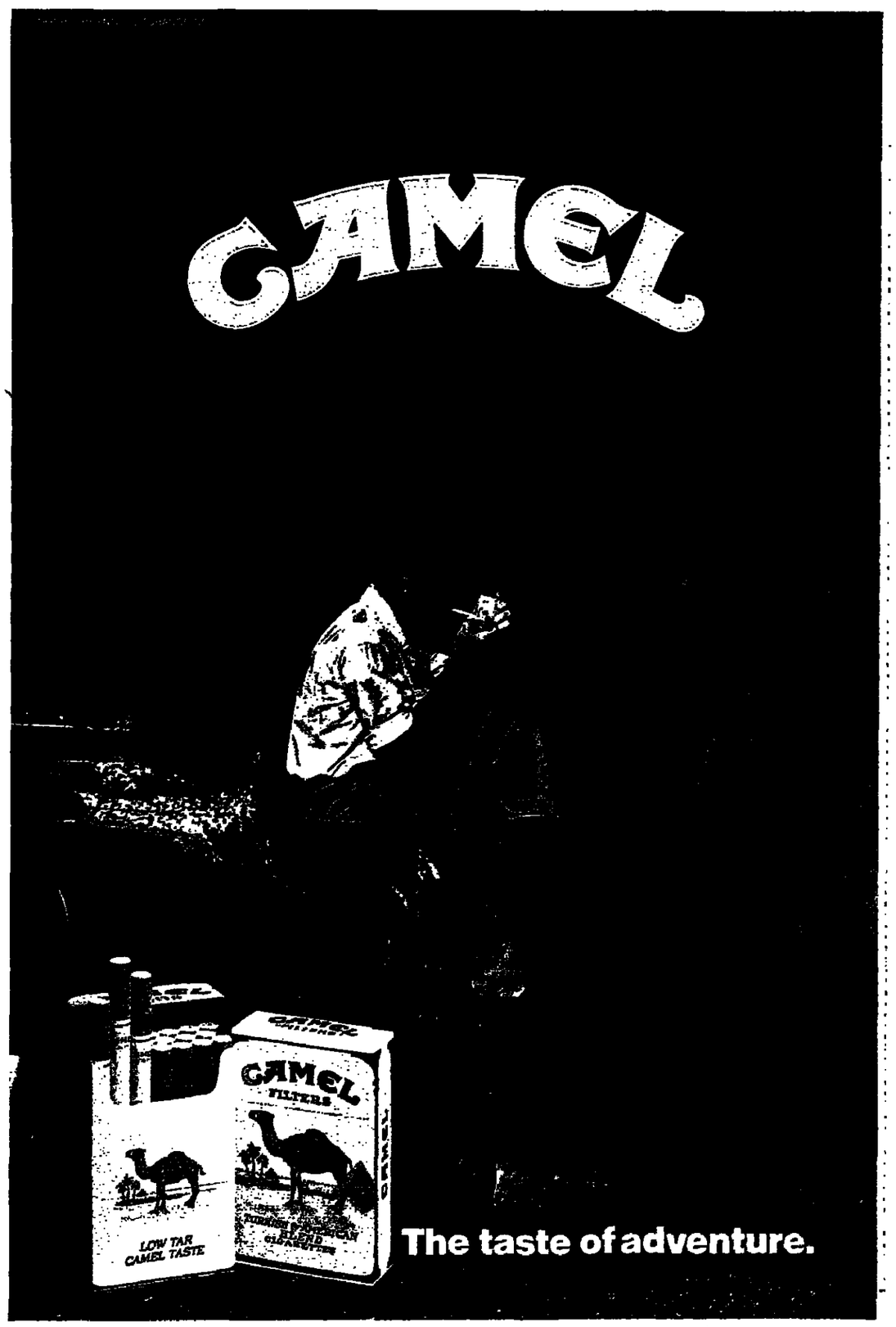

In U.S., Designer Suits Go Off the Rack

By Isadore Barmash
New York Times Service

NEW YORK — Faced with flagging sales and profits, several American department-store chains are dropping high-priced designer dresses and suits and filling their racks with more of their own labels that carry slimmer price tags and fatter profits.

The designers, naturally miffed by the trend, say they cannot rely on the stores to sell their top-of-the-line wares. Some of the more frustrated ones, like Geoffrey Beene, have set up their own stores to show their full collections.

"Nowadays, more and more retailers are buying only the designer's accessory lines, unlike the Europeans, who go for the full collection," Mr. Beene said. "In a way, it's putting the onus on the customer to find the major items and the accessories that go well together. That should be done for the customer."

Saks Fifth Avenue, for example, recently said it planned to increase the proportion of its store brands to about one-third of its inventory, up from an estimated 20 percent.

But Kal Ruttenstein, Bloomingdale's senior vice president for fashion direction, said that was not the case at his company's 15 stores. "We don't go into a major designer's collection and just take the accessories or selected clothes," he said. "If we believe in a designer's talents, we sell both the collection and the accessories."

At Bergdorf Goodman, the chairman and chief executive, Ira Neimark, said, "We make a commitment to each designer to strongly represent them in our stores."

John Weitz, another noted American fashion designer, said that he agreed in large part with Mr. Beene.

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Yet, we're destroying the tropical rain forests they grow in at the rate of 50 acres a minute – making a crisis for ourselves and a bigger one for our children.

What can be done about it? A practical international plant conservation programme is now well under way all around the world. It is a plan for survival which you can help make a reality by joining the World Wide Fund for Nature.

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EGYPT: *Thanks for Gulf Support*

(Continued from first finance page)

Kuwait, the United Arab Emirates and Qatar have forgiven $6 billion in debts that Egypt owed them.

As a result of these measures, Egypt's debt burden will shrink to about $25 billion from almost $50 billion in 1989, which made it the fourth-largest debtor among the world's developing nations.

In addition to its $20.2 billion in government-to-government debt, Egypt owes $14 billion, including $8.7 billion to Western commercial banks and other private institutions. It also owes several billion dollars to the Soviet Union and other Eastern European nations.

In March, the creditor nations agreed to wipe out at least 50 percent of Poland's $33 billion in government debt to help ease its painful, pioneering efforts to transform its communist economy into a capitalist one.

The large debtor nations of Latin America are expected to demand generous debt relief on a par with what Poland and Egypt have received. But David C. Mulford, under secretary of the Treasury for international affairs, has asserted that Poland and Egypt are "unique politically and economically."

Japanese officials have said that in using debt forgiveness to reward certain nations, the United States is encouraging financial irresponsibility and making it difficult to say no to other countries with similar problems.

"An attempt has been made to single out Egypt and Poland as special cases, so I think there will be resistance to granting the same terms to other countries," said Sharif Ghalib, director of the Africa and Middle East Department at the Institute of International Finance in Washington.

The Egyptian plan was approved only after the government pledged, in an agreement with the IMF, to make sweeping changes aimed at bolstering its economy.

During the Gulf crisis, Egypt suffered billions of dollars in losses as a result of a drop in tourist spending, a fall in revenues from the Suez Canal and a loss in remittances from the 2 million Egyptians who had worked in Kuwait and Iraq.

According to officials involved in the talks, 15 percent of the $20.2 billion in debt would be forgiven by July 1 and another 15 percent by Jan. 1, 1993. An additional 20 percent would be forgiven on July 1, 1994.

These conditions are less generous than Poland's terms, which included an immediate write-off of 30 percent of its debt and another 20 percent after three years. One possible reason is to increase pressure on Egypt to follow the austerity plan it signed with the IMF.

(NYT, Reuters)

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Hong Kong Stocks Dive on Rate Hike

Compiled by Our Staff From Dispatches

HONG KONG — Investors already unsettled by uncertainties over relations with China sent stock prices plunging on Monday in a frenzy of trading touched off by a jump in interest rates.

The Hang Seng index, the market's blue-chip stock gauge, plunged 128.46 points, or 3.5 percent, to close at 3,575.52. The index plummeted nearly 135 points in the first 15 minutes, rallied a bit by the close of the morning session and then fell back in the afternoon.

John Mulcahy, research director at Peregrine Brokerage Ltd., said "the market was devastated" by a decision late Friday by local banks to raise interest rates a full percentage point to 10.5 percent.

That news exacerbated the market's underlying shakiness after Sino-British talks on plans for a new $16 billion airport for Hong Kong ended in a deadlock last Wednesday, brokers said.

"The interest-rate worries only add to all the other problems in Hong Kong," said Veit Schmhen of HypoBank. "Stalled airport talks, worry over U.S. trade with China and the interest-rate rise have all hit us within the last week."

Brokers said the morning's hefty stock declines, while on the surface marked by the interest-rate rise, have led investors to believe a larger economic shake-up is afoot.

"There's a lot of confusion over this move," said Robin Lambert, a director of Crosby Securities. "What it has led to is the expectation that something is going to happen."

On Monday, the first day the higher rates became effective, the Hong Kong dollar, pegged to a tight range either side of 7.80 to the U.S. dollar, shot to a strong 7.7425 to the dollar from an already firm 7.7725 late Friday.

Local banks had announced the interest-rate rise hours after the government released data showing the colony's inflation rate hit an alarming 13.9 percent in April.

Added to the swift changes in the domestic economy, brokers said uncertainty ahead of a debate in the U.S. Congress in June over whether to extend most-favored-nation trade status for China also held a political cloud over the exchange.

Economists estimate a loss of China's MFN privileges would hit Hong Kong's re-export business and pare up to 2 percentage points from the colony's prospective growth rate of 3.5 percent for 1991.

"We have a compound effect," said William Phillips, managing director at Baring Securities. "There's the breakdown in the airport talks, concern over MFN, concern over inflation and concern over higher interest rates. You add those together and the place looks pretty gloomy," he said.

Monday's plunge in the Hang Seng index came on the heels of a 4.6 percent loss last week.

Analysts say the Hang Seng has technical support somewhere between 3,550 and 3,560 points.

(Reuters, AFP, UPI)

Fuji Chief Quits Over Scandal

Compiled by Our Staff From Dispatches

TOKYO — The chairman Fuji Bank Ltd. resigned Monday to take responsibility for the bank's role in urging clients to deposit funds with a troubled credit association.

Taizo Hashida, who is also president of Fuji, Japan's fourth-biggest bank, announced his resignation at a news conference, where he named a vice president, Tohru Hashimoto, as his successor.

The move followed problems with an affiliated credit association, Osaka Fumin Shinso Kumiai, which has bad debts estimated at 95 billion yen ($689.4 million).

It came less than a week after Kyowa Saitama Bank's president resigned to take responsibility for a loan scandal and eight months after the chairman of Sumitomo Bank quit in similar circumstances.

Separately, Fuji Bank announced that its parent net profit declined to 119.61 billion yen in the financial year ended March 31, from 147.13 billion yen in 1989-90. Operating revenue rose to 4.13 trillion yen from 3.61 trillion.

Profit fell more sharply at the group level, by more than 30 percent to 100.99 billion yen from 153.99 billion.

(AFP, Reuters)

Profits Off at Japan City Banks

By Paul Blustein
Washington Post Service

TOKYO — Japan's major banks reported Monday steep declines in annual earnings, marking the end of a dismal year in which the financial giants' pell-mell growth came to a sudden halt.

Among Japan's 11 biggest commercial banks, known as city banks, the hardest hit were Daiwa Bank, which suffered a 40 percent drop in its net business profit for the year ended March 31, and Mitsui Taiyo Kobe Bank, whose earnings slid 25.4 percent. Net business profit measures earnings from ongoing banking operations.

The figures reflected a substantial narrowing, to the banks' detriment, in the difference between their cost of funds and the interest they earn on loans. The results showed that after five years of furious expansion in loans and deposits by Japan's banking giants, "the party's over," as Yushiro Ikuyo, an analyst at Morgan Stanley International, put it.

The growth in total lending by the city banks slowed to 5.6 percent in the year, from 16.5 percent in the previous year. The city banks' deposits actually decreased — by 3.5 percent — the first time that had happened since World War II.

The slowdown marks a reversal from the past decade during which Japanese banks surged to the top of the list of the world's largest financial institutions. They were blessed with a cheap source of funds, courtesy of Japan's thrifty savers and regulators who kept a lid on the interest paid on deposits. They became huge suppliers of money in the U.S. and European markets.

Now they are being forced to retrench. One big reason is the squeeze on profits arising from the deregulation of interest paid on deposits. Another is the pending requirement by international regulators that banks maintain greater capital cushions to guard against emergencies.

The retrenchment is good news for U.S. banks, who are getting a bit of a breather from the relentless push by their Japanese competitors. But it means less money is available for American borrowers.

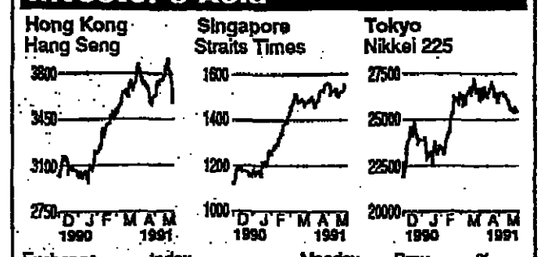
"Japanese banks are bringing almost to a stop their expansion" of overseas loans, said Mr. Ikuyo of Morgan Stanley. "There won't be a withdrawal of money from the States, but there may be very slow growth — maybe 1 or 2 percent — of overseas loans."

Even so, the figures released Monday "confirmed that the Japanese banking system is still in a very strong position," said Alicia Ogawa, an analyst with S. G. Warburg Securities (Japan). Japanese banks enjoy relatively modest exposure to Third World debt and bad real estate loans, she said.

Monday's data also belied speculation that the banks had come perilously close to collapse because of last year's stock market fall. Most of them reported profits on their stock sales, albeit reduced profits.

Those figures, Mrs. Ogawa said, showed that most of the banks' big stockholdings had been accumulated well before the rise in the market in the late 1980s; thus the banks were not as vulnerable to a market drop as many had feared.

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3575.52	3703.98	-3.47
Singapore	Straits Times	1541.49	1547.60	-0.39
Sydney	All Ordinaries	1535.10	1536.80	-0.11
Tokyo	Nikkei 225	25425.88	25529.14	-0.40
Kuala Lumpur	Composite	630.30	625.81	+0.72
Bangkok	SET	810.33	812.54	-0.27
Seoul	Composite Stock	617.30	617.29	-Unch.
Taipei	Weighted Price	5901.45	5959.92	-0.98
Manila	Composite	1179.46	1194.31	-1.24
Jakarta	Stock Index	Closed	402.73	-
New Zealand	Barclays	1510.10	1522.40	-0.81
Bombay	National Index	651.54	652.44	-0.14

Sources: Reuters, AFP International Herald Tribune

Skase Is Hit With Charges Of Breaking Law at Qintex

Compiled by Our Staff From Dispatches

BRISBANE, Australia — The former media mogul Christopher Skase was charged on Monday with two breaches of corporate laws and ordered to surrender his passport.

Mr. Skase, former chairman of the failed leisure and media group Qintex Australia Ltd., was charged in a Queensland state court the day after he returned from Spain to face an unrelated assault charge.

The Australian Securities Commission charged him with improperly using his position as a director of Qintex to gain an advantage for himself and his private company, Kahmea Investments Pty. Ltd.

The two charges related to a 19 million Australian dollar ($14.4 million) payment made by a Qintex subsidiary, IPH Finance, which was ultimately paid to Kahmea. If convicted, he could face up to 20,000 dollars in fines and five years in jail on each charge.

The securities commission also took action in federal court in Brisbane to prevent Mr. Skase from leaving the country in a bid to support creditors wanting to enforce judgments against Mr. Skase.

(Reuters, AFP)

U.S. Chips Blamed in Japan

Compiled by Our Staff From Dispatches

TOKYO — The new chairman of the Electronic Industries Association of Japan charged Monday that sales of U.S. semiconductors in Japan were low because the chips were not competitive.

"Japan does not have barriers against competitive goods," Moriya Shiki said at a news conference. "Japanese companies will buy products if they are competitive."

Mr. Shiki, who is also the president of Mitsubishi Electric Corp., Japan's third-biggest electrical-machinery concern, said U.S. companies should "offer products that satisfy customers at appropriate prices."

Mr. Shiki said he could not comment directly on talks between Japan and the United States to renew a semiconductor pact that expires in July, but he said U.S. makers should find and fill the needs of Japanese customers more aggressively.

(AFP, Reuters)

In Forex, Tokyo Feels Singapore's Competition

Reuters

TOKYO — Tokyo's reputation as Asia's primary foreign-exchange center has been dented because of its recent inability to take the initiative in the region, analysts say.

Corporate buying and selling has made the Tokyo market range-bound, giving Singapore — Asia's second-largest trading center — the chance to set trends, market watchers said.

"Tokyo has relied too much on commercial orders. I'm afraid it's no longer a dynamic market like the one we had seen after the Plaza Accord" of 1985, said Masamichi Tachi, deputy manager at Hongkong & Shanghai Banking Corp. in Tokyo.

Tokyo, one of the world's three biggest currency markets along with London and New York, has grown rapidly in the past five years, but the growth appears to have stalled lately.

Trading volume via brokers, which usually accounts for 30 percent to 40 percent of Tokyo turnover, grew by under 1 percent to $1.18 trillion in the first two months of 1991, industry data show.

Hideki Naito, a foreign-exchange manager at Dresdner Bank in Tokyo, said it was sometimes easier to grasp a trend in Singapore than in Tokyo, where powerful corporations tend to erode currency potential by selling at tops and buying on dips.

Big orders from a Southeast Asian central bank and non-Asian speculators are often placed in Singapore, helping set direction for Asia. And, "for foreigners, it may be easier to deal in an English-speaking country" like Singapore, Mr. Naito said.

Turnover posted year-on-year growth of 12.7 percent in Singapore, rising to $3.33 trillion in the first two months of 1991, according to the Monetary Authority of Singapore.

Foreign banks in Tokyo, in particular, are paying close attention to growing business opportunities in Singapore, where they can also enjoy cheaper operating costs.

But Tokyo dealers are not convinced that volume in Singapore will surpass Tokyo's.

"Looking at the heavy potential corporate needs at home, it's hard to believe Singapore will beat Tokyo in terms of turnover," Mr. Naito said.

Asian traders say Singapore has also been the beneficiary of spillover business from Hong Kong and Sydney.

In Hong Kong, turnover has shrunk by nearly 10 percent from a year earlier, with average daily turnover falling to around $45 billion, dealers said.

Most Asian traders attributed Hong Kong's decline to growing political concerns in the run-up to 1997. But some dealers are optimistic about Hong Kong's future growth, after China began to relax currency restrictions.

Currency business in Sydney has also fallen. Turnover in Australia is estimated to have dropped 20 percent over the last 12 months, said Barry Slattery, Westpac Banking Corp.'s New South Wales foreign-exchange manager. The Reserve Bank of Australia estimated spot turnover at $15.43 billion a day in January.

Japanese Eyes on Vietnam Oil

Reuters

TOKYO — Japanese companies are eager to explore for oil in Vietnam, but they face a dilemma. They do not want to trail behind their embargo-bound U.S. counterparts in winning the right to tap one of the last major frontiers for natural resources. Neither can they race too far ahead.

"I guess Japanese companies are just about lined up at the starting block," said a senior officer at a Japanese oil company.

Oil exploration is considered one of the most promising investment opportunities in Vietnam. Industry sources say oil-discovery potential is between 1 billion and 2.5 billion barrels.

The officer said Japanese companies were studying data on five offshore blocks that had been returned to the Hanoi government by VietSovpetro, a Soviet-Vietnamese venture.

Idemitsu Kosan Co., Mitsubishi Oil Co., Japan Petroleum Exploration Co. and Indonesia Petroleum, a Japanese company with a focus on exploration in Indonesia, have all expressed interest.

"Judging from the geological features, the oil fields appear to hold potential," an Idemitsu spokesman said.

VietSovpetro, the country's sole commercial oil producer, has produced 10,050 tons (about 70,200 barrels) of crude a day since early May from the Bach Ho field off Ho Chi Minh City, according to the Vietnam News Agency. That is the only field producing oil commercially.

Most of the crude oil is purchased by Japan, and accounts for roughly 60 percent of Japan's imports from Vietnam.

As of mid-February, 10 consortiums that include companies from Europe, Canada, Australia and India had been awarded offshore oil contracts.

None of the groups have members from the United States or Japan. The U.S. trade embargo against Vietnam prohibits investment by American companies. Although Japanese companies are not bound by similar government sanctions, they have deferred to the U.S. ban, mindful of often delicate Japan-U.S. relations.

Filipino Urges Strike-Free Zone

Reuters

MANILA — A Philippine business leader called on Congress on Monday to enact laws that would ban strikes in certain export-oriented industrial areas for five years as an incentive to foreign investors.

Labor unrest remained a major concern among foreign investors despite statistics showing decline in strikes, the industrialist, Raúl Concepcion, said at a news conference. "If we really want to send the correct signals to the foreign investor to invest heavily in labor-intensive, export-oriented industries, let Congress enact the necessary laws that would provide a five-year strike-free zone," he said.

Thyssen informs:

On Stable Ground

Interim Report on the First Six Months of 1990/91
from October 1, 1990 to March 31, 1991*

Thyssen Worldwide	first six months:	1989/90	1990/91
External sales	DM billion	16.8	17.7
Pretax profit	DM million	705	470
Net income	DM million	363	227
Capital expenditures	DM million	1,660	1,230
Order intake	DM billion	18.6	19.1
Work force on March 31		146,828	147,801

*unaudited

Development of Sales

Thyssen achieved during the period under review once again a high business volume. External sales rose by 6% due to the acquisition of the Otto Wolff group, the formation of Thyssen Haniel Logistic and further changes in the group of consolidated companies most of which took place in the second half of 1989/90. Included among the consolidated companies for the first time were six subsidiaries of Thyssen Handelsunion located in eastern Germany.

Sales by the capital goods and manufactured products business group exceeded the previous year's level by altogether 11%. Thyssen Industrie showed a strong growth in sales of 22%, with all its business sectors contributing, in particular the two shipyards. Now that the railroad transportation technique and the transmission manufacturing are no longer part of Thyssen Henschel, this sector was the only one to show a lower volume of sales.

As a supplier of automotive parts, The Budd Company is severely affected by the downturn in the American automotive industry. Budd's US-dollar sales during the period fell 8% below the level of the previous year. Sales by Rheinische Kalksteinwerke increased by 2%.

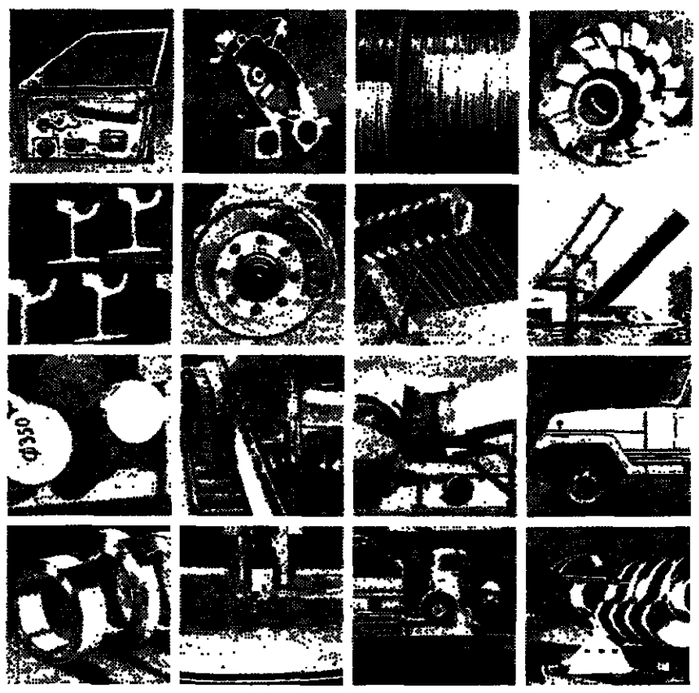
The sales of the trading and services business group rose by 25%. Weaker product trading outside of Germany was more than offset by services with a high value-added offering. The expansion of the logistics activity was the main contributing factor to the sales increase. The consolidated companies and branches of Thyssen Handelsunion in eastern Germany achieved sales of DM 375 million during the period under review.

The specialty steel business group showed a sales decline of 13%. The markets for long products and bright steel continued to worsen; greater competitive pressure, above all from abroad, is impeding the generation of adequate revenues. In contrast, order intake for flat steel during the period was slightly above the previous year's level. In general, export demand is weaker.

Sales in the steel business group were 23% higher than in the previous year. This is exclusively due to the first-time incorporation of those Otto Wolff companies assigned to the steel business group. Cyclically, shipments and prices of steel declined. Additionally overshadowing the market are the problems of the Eastern European steel industries.

Sales in DM million	first six months:	1989/90	1990/91
Capital goods and manufactured products		4,695	5,196
Trading and services		6,782	8,489
Specialty steel		2,276	1,979
Steel		5,466	6,737[1]
Shareholdings of Thyssen AG		2,374[2]	122[3]
Total sales		21,593	22,523
Intercompany sales		4,805	4,801
External sales, Thyssen Worldwide		16,788	17,722

[1] Including Rasselstein, EBG Gesellschaft für elektromagnetische Werkstoffe, Stahlwerke Bochum, Otto Wolff AG, Eisen- und Hüttenwerke, Otto Wolff Flachstahl
[2] Dolomitwerke pro rata, consolidated group Otto Wolff (as of January 1, 1990), Rasselstein, EBG Gesellschaft für elektromagnetische Werkstoffe, Stahlwerke Bochum
[3] Dolomitwerke pro rata



Among the shareholdings of Thyssen AG, only the pro rata sales of Dolomitwerke are stated. The Otto Wolff group companies including Rasselstein and EBG have been assigned to the respective business groups as of October 1, 1990.

Work Force

At the end of March 1991, Thyssen Worldwide employed almost 148,000 people. 121,000 of these were working for the companies in the Federal Republic of Germany, including 3,000 employees at consolidated companies and branches in eastern Germany. Foreign companies employed just under 27,000 people. The pronounced changes in the business groups are attributable in particular to the new allocation of the Otto Wolff companies, the formation of Thyssen Haniel Logistic and the spin-off of Thyssen Henschel's locomotive and wagon manufacturing activities.

Work force	March 31, 1990	March 31, 1991
Capital goods and manufactured products	61,398	57,928
Trading and services	19,307	28,915
Specialty steel	15,166	14,528
Steel	41,777	45,143[1]
Shareholdings of Thyssen AG	8,795[2]	891[3]
Thyssen AG	385	396
Thyssen Worldwide	146,828	147,801

[1] Including Rasselstein, EBG Gesellschaft für elektromagnetische Werkstoffe, Stahlwerke Bochum, Otto Wolff AG, Eisen- und Hüttenwerke, Otto Wolff Flachstahl
[2] Dolomitwerke pro rata, consolidated group Otto Wolff, Rasselstein, EBG Gesellschaft für elektromagnetische Werkstoffe, Stahlwerke Bochum
[3] Dolomitwerke pro rata

Capital Expenditures

During the first half of 1990/91, Thyssen invested more than DM 1.2 billion. The comparable DM 1.7 billion of the previous year contained high additions to fixed assets in connection with the extension of the group of consolidated companies, in particular due to the acquisition of the Otto Wolff group. Ongoing tangible asset expenditures on updating production and warehousing facilities and building new production lines were, at DM 1.1 billion, higher during the period under review than in the previous year.

Result

The income position of Thyssen Worldwide was satisfactory during the period, but failed to match the good level of the previous year. Pretax profits came to DM 470 million, net income reached DM 227 million.

Guaranteed Dividends

Thyssen Industrie increased orders received by 4%. Profits showed a gratifying improvement. Stockholders of Thyssen Industrie AG are guaranteed a dividend amounting to 9/10 of the Thyssen AG dividend. Likewise the stockholders of Edelstahlwerk Witten AG and Stahlwerke Bochum AG, both of which companies no longer carry out any business, receive a guaranteed dividend pegged to the dividend paid by Thyssen AG. In the case of Stahlwerke Bochum, for DM 100 share of stock this is two-thirds of the dividend paid on DM 100 of the capital stock of Thyssen AG – however, at least DM 6. The stockholders of Edelstahlwerk Witten receive for DM 100 share of stock the same dividend as for two DM 50 shares of Thyssen AG.

Order Situation

Despite a poorer overall climate, Thyssen Worldwide during the first half of fiscal 1990/91 again booked a high level of order intake. The previous year's figure was exceeded by 2%. At the end of March, orders on hand reached DM 14.4 billion.

Outlook

The expectations for the months ahead continue to be restrained. The upswing in the world economy is flattening out. Weaknesses are evident above all in the Anglo-Saxon countries. Compounding the situation is the collapse in Eastern Europe. Mainstays of the international economy continue to be, in particular, Japan and West Germany, although here, too, dynamism is decelerating. With Thyssen's high level of orders on hand, a stable sales and income situation can be expected also for the second half of 1990/91.

THYSSEN

THYSSEN AKTIENGESELLSCHAFT

SPORTS

Lakers' Romp to 3-1 Lead Puts End of Trail in Sight

By David Aldridge
Washington Post Service

INGLEWOOD, California — Kevin Duckworth was walking to the Portland Trail Blazers' locker room following the 116-95 defeat that had given the Los Angeles Lakers a 3-1 lead in the Western Conference final of the National Basketball Association playoffs.

Duckworth spied a garbage can. He knocked it over.

It was one of the few things the Trail Blazers did well all day Sunday. They were manhandled from start to finish by the Lakers, who placed six players in double figures as they scored inside, outside, in transition and where ever else they wanted.

The Trail Blazers were shackled again by fouls and poor shooting. Guard Terry Porter made one of seven shots in the first half, when Los Angeles took command. Duckworth picked up four fouls in the half and was a nonfactor — seven points in 25 minutes — for the second straight game. Clyde Drexler had just 14 points on six-of-16 shooting.

For the Lakers, Magic Johnson got 22 points, 9 rebounds and 9 assists; center Vlade Divac had 20 points, 4 rebounds and 3 blocked shots in 30 active minutes, and James Worthy added 18 points, 5 rebounds and 6 assists.

And A.C. Green had his second straight big game off the bench, with 16 points and 7 rebounds.

Unlike the deficits of earlier games, the Lakers also had a 52-49 edge in rebounding that gave them second shots and limited the Trail Blazers' transition game.

"The key to our last two victories has been our rebounding and not turning the ball over," Johnson said. "If we can stay even with them on the boards and keep the turnovers down, we have a good shot of winning."

Only four teams in league history have come back from a 1-3 hole to win a best-of-seven series. The last, the Boston Celtics, pulled off their escape in 1981.

"If we play like we did these last three games, then there are plenty of doubts," Drexler said. "The question is, do we want it bad enough and do we have what it takes to do it?"

The Lakers used 14-2 and 14-4 runs in the first half to blow the game open. It was 62-42 at the half; the closest the Trail Blazers got again was 13 early in the third. And after that, they fell apart, closing the quarter with three straight turnovers that brought most of the 17,505 spectators in the Great Western Forum to their feet.

Duckworth scored a minute into

NBA PLAYOFFS

the game. Thirty-four minutes later, he scored again. With nothing working inside, and Porter and Drexler missing 20 of 30 shots outside, Jerome Kersey was the only one the Trail Blazers could count on. He scored 25 points, with most coming during the few times Portland was able to mount a fast break. Otherwise, the Trail Blazers were committing one of their 19 turnovers or taking poor shots.

And the Lakers' halfcourt game, as it has been throughout the playoffs, was razor-sharp. If the Trail Blazers double-teamed Johnson when he had the ball, he found the open man. If they left him alone, he spun to the basket and scored.

The Lakers have gotten to within one victory of their first championship series in three years by having restructured their team from all fast breaks to a seamless blend of transition flash and halfcourt thump.

The Trail Blazers, on the other hand, have spoken a lot about getting back to the NBA final and what a year's experience had done for them. Last year they were overwhelmed by the Detroit Pistons' guards. This year the damage is being done down low. But it's been no less painful.

"They're just doing whatever they want," said one of the Trail Blazers' guards, Danny Ainge. "They're getting whatever they want. We're not taking anything away from them. We're not taking post-ups away from them, we're not taking outside shots away from them. We're taking nothing away from them."

Mark J. Terrill/The Associated Press

Vlade Divac, left, and Kevin Duckworth vying for the ball: 20 points for one, seven for the other.

Photos Show UNLV Trio With Convicted Fixer

The Associated Press

LAS VEGAS — More problems have surfaced for the troubled Nevada-Las Vegas basketball program, with a newspaper publishing photos taken of three members of the 1990 NCAA championship team consorting with a convicted fixer of sports events.

The photos, published Sunday in the Las Vegas Review-Journal, show Richard Perry with David Butler, Anderson Hunt and Moses Scurry at Perry's home in Las Vegas. The newspaper said the photos were taken near the start of the 1989-90 college basketball season.

Robert C. Maxson, president of the university, said the photos not only made him "extremely concerned about this whole situation, but it also makes me angry.

"News articles like this not only tarnish the basketball program and those associated with it, but it tarnishes the university as well."

He said he would meet with UNLV's coach, Jerry Tarkanian, to discuss the latest problems.

Tarkanian said he had warned players to stay away from Perry, who is part of a current NCAA investigation of the Rebel program.

"Obviously we don't want our players associated with known gamblers because of the perception involved," Tarkanian told the Review-Journal.

He said that "obviously, I was very disappointed when I heard of the pictures. But David and Anderson have told me they haven't seen him [Perry]. The only thing I can do is go by what the kids have told me."

The newspaper said the photos are believed to have been taken in the fall of 1989, months after Tarkanian said he had warned Scurry and Butler not to associate with Perry.

One photo shows the players in a hot tub, with Perry, Hunt and Scurry holding beers. In another, they are playing basketball with Perry on his backyard court.

Perry pleaded guilty in 1984 to conspiring to commit sports bribery in a Boston College point-shaving scandal. He was sentenced to a year in prison.

In 1974 he was convicted on federal charges related to fixing harness races at the Roosevelt and Yonkers race tracks in New York, sentenced to prison and fined.

NCAA bylaws prohibit involvement in gambling activities or any conduct that the association deems unethical. Violations of the bylaws could cost players their eligibility.

UNLV is currently responding to an NCAA letter of inquiry that lists 29 alleged violations of NCAA rules. The allegations include questions as to whether Perry could be considered a booster when he recruited a troubled New York City prep star, Lloyd Daniels, for Las Vegas in 1986 and whether Perry was a booster when he paid for lunch for Scurry in 1988.

UNLV's legal counsel, Brad Booke, who is preparing the university's response to the 29 NCAA allegations, said the photos posed a new set of problems for the school.

"The long-term problems of being associated with such a person far outweigh the problems of an NCAA violation," Booke said. "The name of Richard Perry probably has greater potential for serious and lasting damage to the institution than does the name Lloyd Daniels."

Daniels was considered one of the top players recruited by the Rebels. He was arrested in a drug raid in 1988 and was kicked off the team by Tarkanian before ever playing for UNLV.

The Rebels are banned from television and postseason play next season as the final resolution of a 14-year legal battle between Tarkanian and the NCAA. That case involves UNLV recruiting violations dating back to the mid-1970s.

Perry could not be reached for comment.

Matthäus Repeats Transfer Demand

United Press International

GRUNBERG, Germany — Lothar Matthäus, who captained West Germany to its World Cup triumph last year, reiterated Monday that he wants to leave Internazionale Milan and join Real Madrid.

Sunday's game "in Lecce was my last in Inter's colors. I want to join a new club," he said at the German national team's training camp.

"I believe the move will be made possible sooner or later, because Inter cannot be interested in an unsatisfied Matthäus," he said.

Real Madrid confirmed Monday it had offered Matthäus a three-year contract with an annual salary of $2.6 million to $3 million.

The 30-year-old midfielder said he would talk Thursday with Inter's president, Ernesto Pellegrini, and ask to be released from a contract that runs into 1993.

Pellegrini had said earlier Monday that "there is no doubt" that Matthäus would "play for Inter next season."

Builders Pin Hopes On New Yacht Design

By Barbara Lloyd
New York Times Service

NEW YORK — A slump in the boating market has prompted an elite group of yacht designers and builders to develop a futuristic design that they hope will rejuvenate a stagnant marine industry.

The result of their four-year effort is the 65-foot (20-meter) Amoco Procyon, a prototype craft with twin bipod masts and a wing keel that tilts sideways that was launched last month at Windship Trident Shipworks in Tampa, Florida.

Olaf Harken, vice president of Harken Inc., which makes marine hardware in Pewaukee, Wisconsin, thought of the idea. "I was looking at the whole industry, which seemed to be shrinking," Harken said recently. "I decided we needed to do something if we expected to turn it around in the future."

The number of sailboats being built is down 50 percent from a decade ago, Harken said. Unlike automakers, who entice buyers with innovations, the sailboat industry has made few changes, he said.

As an amateur astronomer, Harken named the new boat the Procyon — after the brightest star in Canis Major, the constellation used by sailors for navigation. When Amoco Chemical Co. became a major sponsor, the name was changed to Amoco Procyon. More than 65 companies have contributed to the $1.5 million project since its inception in 1987.

Britton Chance, a veteran America's Cup naval architect, designed the hull. Eric and Ben Hall, rigging experts from Bristol, Rhode Island, produced the unusual mast. Diane Atwood of Chicago, an architect known for developing exotic interiors for super yachts, created the Procyon's living space. Charles Miller, manager of North Sails Midwest, in Pewaukee, designed the sails. Catalina Yachts and the Windship Trident yard built the boat.

THE BIPOD mast system is the yacht's most visible innovation. The dual mast rig looks more like an A-frame structure than a sailboat spar. But it is designed to do away with the space-eating concept of stepping a mast through the interior of the boat. The bipod mast sits on the deck, where it is secured with side struts.

By doing away with a single mast, the design allows the mainsail to hang free of a center spar. The carbon fiber bipod system, which is about 25 percent lighter than a conventional mast, allows the wind to flow more evenly over the mainsail, said Harken.

The boom is curved. Full mainsail battens, which give shape to the sail, are made of two-ply steel strips that roll up, like a tape measure. They allow the sail to be roller-furled around itself.

An electronic push-button panel operates the boat. The Procyon tacks by itself, but a crew of three is suggested; most boats of the same size might be expected to require six or seven crew members.

David Greeley, vice president of Atlantic Applied Research Corp. in Burlington, Massachusetts, designed the hydraulic keel to shift from side to side underneath the boat as it tacks. Conventional keels are fixed, and do not move. The Procyon keel helps to keep the boat upright and prevent excessive heeling.

The system is backed up with water ballast. By pumping sea water into tanks in the hull, the crew can control how far the boat heels. This affects boat performance and passenger comfort.

"We wanted the boat to go fast, and we wanted to be able to completely control the ride," said Harken.

The sea trials so far indicate that the Procyon is fast for a cruising boat, Harken said. It will move at about 8.5 knots upwind in a 15-knot breeze. The speeds are expected to be about 10 to 16 percent faster than a boat of comparable weight and length, he said.

Garry Hoyt, a yacht designer from Newport, Rhode Island, who is known in the boating industry for his own unusual designs, said that he is in favor of the Procyon project.

"The sailing industry is certainly in a bit of a doldrums," he said. "Any effort to try and get it out of that is great. The proof of the pudding is, how well does the boat sail."

CHESS

By Robert Byrne

OF the seven candidates matches for world championship aspirants, the one distinguished for its spotty play was in Wijk-aan-Zee, the Netherlands, between Grandmasters Viktor Korchnoi of Switzerland and Gyula Sax of Hungary. They could hardly do anything right.

Korchnoi's best performance was the following, in the fifth game. The Symmetrical Four Knights Variation of the English Opening will probably never go out of style, so great is the variety of subtle strategies it offers. Korchnoi and Sax fought half the match on its battleground.

In the seventh game, for example, they played in Gruenfeld Defense style via 3...d5 4 cd Nd5 5 d4 Nc3 6 bc g6 7 e3 Bg7 8 Bd3 0-0 9 0-0 Qc7.

After 3...Nc6 4 d4 cd 5 Nd4 e6, the long rejected move 6 a3 has lately been the center of attention for preventing the Nimzo-Indian-like pin with 6...Bb4, despite its delay of White's development.

In the first, third and this fifth game, Sax relied on 6...Nd4 but, in the second tiebreak game (No. 9), he had no trouble with the isolated d pawn after 6...Be7 7 e3 d5 8 cd ed 9 Bb5 Bd7 10 Nf3 a6 11 Be2 Bg4.

After 9 e4 d6, Korchnoi had a Maroczy bind with his c4 and e4 pawns and Sax had a type of hippopotamus formation opposing it.

Korchnoi's 10 Bd3 was more accurate than the 10 Be3 he used in the third game because, after 10...Be7 11 Qg3 0-0 12 Bh6 Ne8 13 Bd2, he had not only avoided the trap 13 0-0?! Bh4 14 Qg4 f5! 15 ef ef 16 Bf5 Rf5 17 Qf5 gh, which yields Black two minor pieces for a rook and pawn, but also gained a tempo.

Sax's 18...Rc6 was an awkward defense for his b pawn, but it got the job done. It would not have helped Korchnoi to play 19 b4 Nf6 20 b5 because 20...ab 21 cb Rc1 22 Rc1 Nd7 completes the defense just in time.

The exchange of bishops with 22 Bg7 Kg7 accomplished two purposes: in removing the black dark-squared bishop it made the defense of the d6 pawn more difficult and it also weakened the king position.

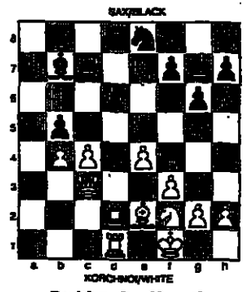
On 26...Rb8, there could have followed 27 Qb6 Be4 28 Qa6 Rb3!? 29 fe Ne4 30 Rc2 d5! 31 cd? Rb2! 32 Rb2 Qc5 33 Kh1 Nf2 34 Kg1 Nh3 35 Kh1 Qg1 36 Rg1 Nf2mate. Moreover, Sax threatened 27...b5!

On 30 Qc3, Sax should have played 30...f6, but he played inaccurately 30...c5 31 Kf1 b5 32 b4 Qc7 33 ab ab and was confronted by Korchnoi's pressure-packed 34 c5! Now Sax could not play 34...dc? because 35 Rd8 Rd8 36 Rd8 Qd8 37 Qe5 followed by 38 Qc5 will win two pawns.

Still, Sax could have played 34...Ba8, but he chose 34...Kg8? and flatly lost a pawn to 35 Bb5.

Sax could not counterattack with 41...Rb3 because 42 c6! f6 43 Nc5! would win outright.

After 45 Ra2, Sax could not capture with 45...Nc5 because of 46 Rc2. He could not retreat with 45...Nb8 because of 46 Ra8 f6



Position after 33 . . . ab

47 c6! Kd8 48 Nb4 Kc7 49 Ra7 Kd6 50 Rh7 Nc6 51 Nc6, when 51...Kc6 loses a decisive pawn to 52 Rf6, while 51...Rc6 yields the same result to 52 Rh6.

So he gave up.

ENGLISH OPENING

White Korchnoi	Black Sax	White Korchnoi	Black Sax
1 Nf3	Nf6	23 Nb2	Rd8
2 c4	c5	24 Rc2	Rdc8
3 Nc3	Nc6	25 Rcd2	Nf8
4 d4	cd	26	Rb8
5 Nd4	e6	27	b5!
6 a3	Be7	28	Ng6
7 Qd4	Nf6	29	Qc5
8 Qd2	Bb7	30	Qc3
9 e4	d6	31	f6
10 Bd3	Be7	32	b4
11 Qd3	Qc7	33	ab
12 Be3	Nc6	34	c5!
13 Bd3	Rd8	35	Bb5
14 O-O	Bd7	36	Qc5
15 Rfd1	Be8	37	Nb2
16 b3	a6	38	Qc3
17 Qc3	Nd7	39	Re1
18 Nd4	Rdc8	40	Rd1
19 Rac1	Nb6	41	Rb3
20 Nb5	Nc4	42	Rd2
21 Bc2	Nb6	43	Re1
22 Nd4	Nc4	44	Rd2
		45	Ra2
		46	Rd2
		47	Resigns

BOOKS

WHAT WAS MINE: And Other Stories

By Ann Beattie. 256 pages. $20. Random House, 201 East 50th Street, New York, N. Y. 10022.

Reviewed by Donna Rifkind

ANN BEATTIE has made a career of looking deeply into surfaces. In such story collections as "Where You'll Find Me" and "Distortions," and in such novels as "Chilly Scenes of Winter," "Love Always" and, most recently, the highly praised "Picturing Will" (1989), she uses the countless superficial details that proliferate in the lives of everyday Americans — brand names, television shows, song lyrics, current events and the latest slang — to measure the quality of her characters' existence.

Instead of explaining, for example, why a person's life is empty, Beattie will leave us to guess at the emptiness by mentioning that this person has Captain Crunch and bourbon for dinner and drives a Pinto. Emotions in Beattie's fiction are rarely defined or interpreted; they are submerged under a smooth layer of minutiae instead. Hers is an arresting technique, much imitated by scores of fiction-workshop alumni. Yet how far can an author keep skimming surfaces before readers start wishing for a bit more depth?

In the collection's best stories, the quotidian details are cleverly arranged to form a suitable backdrop for the characters' lightheartedness.

"In Amalfi" manages to capture some of the shimmering qualities of an Impressionist painting. The protagonist here is Christine, who finds the serene, eternal-summer ambience of Amalfi perfect for musing about her life and that of her ex-husband, Andrew, with whom she has been vacationing. It seems they are the only Americans on the island; the recent bombing of Libya and the Chernobyl disaster have chased other tourists away. Because these hints of calamitous world events make the resort atmosphere of Amalfi more enchantingly remote than it actually is, the story has a lovely, almost magical mood.

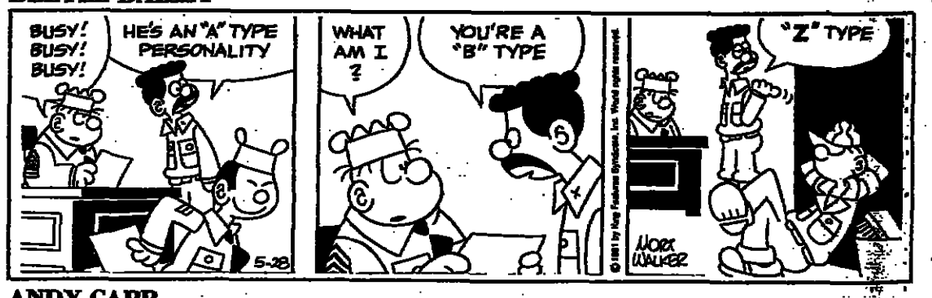
In the title story, "What Was Mine," Beattie again uses atmosphere to great effect. This story's flavor is bitter rather than pleasing, as the narrator, Ethan, looks back on his dreary Washington childhood. On Saturday nights he used to accompany his mother to a bar off Pennsylvania Avenue called the Merry Mariner, where they would listen to her lover play piano and tenor sax.

Ethan's dead father keeps haunting him, so that the entire reminiscence is infused with feelings of loss and abandonment. Beattie's depiction of the lonely, bewildered young boy, sitting in a murky bar decorated with nets and couch shells, listening to "Let Me Call You Sweetheart" and "As Time Goes By," is as effectively melancholy as "In Amalfi" is light and breezy.

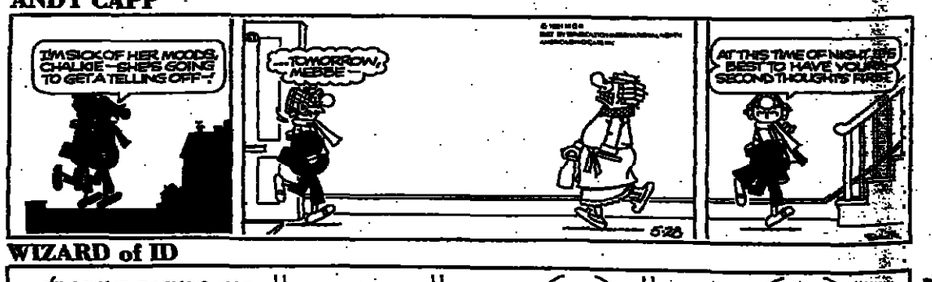
Donna Rifkind's reviews have appeared in The Wall Street Journal, the New Criterion, The Times Literary Supplement and other publications. She wrote this for The Washington Post.

PEANUTS

BEETLE BAILEY



ANDY CAPP



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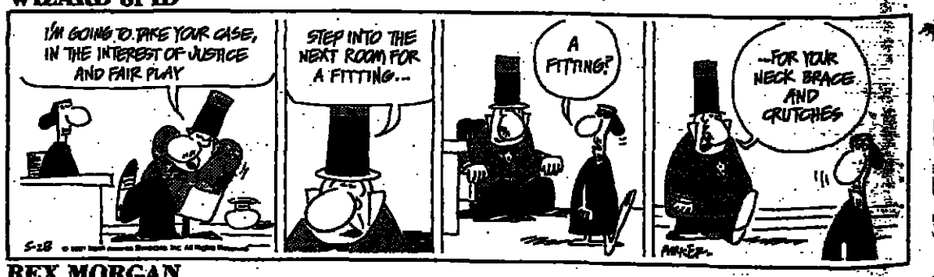
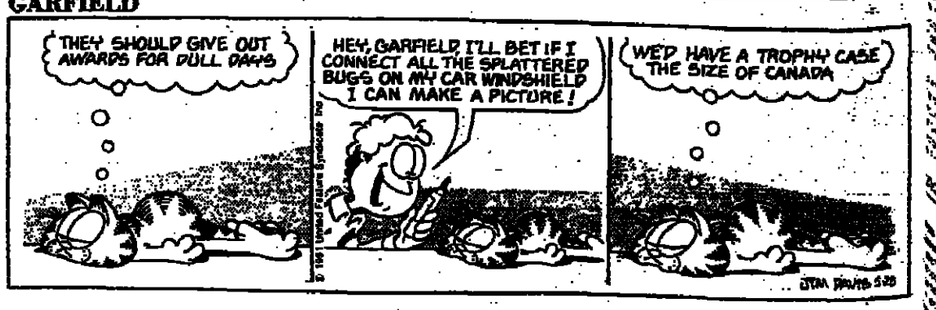


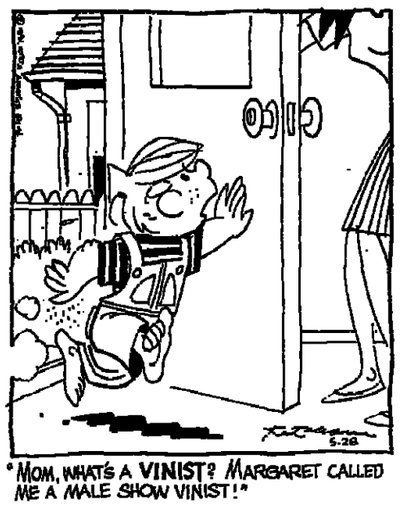
REX MORGAN

GARFIELD



DOONESBURY

DENNIS THE MENACE



"MOM, WHAT'S A VINIST? MARGARET CALLED ME A MALE SHOW VINIST!"

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

CLUNE

YUMST

KOTLEC

VEWERS

THAT POLLYANNA SAW GOOD IN EVERYONE AND EVERYTHING BECAUSE SHE DIDN'T —

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: _____

(Answers tomorrow)

Yesterday's Jumbles: CHAIR SMOKY QUIVER PARITY
Answer: What a revolving door tends to make some people — "PUSHY"

SCOREBOARD

Major League Standings

Today's Line Scores

SPORTS

Suddenly Potent Yanks Beat Red Sox as Hall Hits 2d Homer in 9th

The Associated Press

Mel Hall's second home run of the game Monday, a three-run shot off Boston relief ace Jeff Reardon in the ninth inning, gave the New York Yankees a 6-5 victory over the visiting Boston Red Sox and extend the suddenly potent Yankees' winning streak to five games.

Hall also homered in the seventh off Red Sox starter Danny Darwin and Jesse Barfield hit two bases-empty homers as the Red Sox lost for the fourth time in five games.

Hensley Meulens led off the ninth with a single and Kevin Maas followed with a line drive off Reardon's glove for another single before Hall hit his seventh homer of the year down the right-field line. On Sunday, Hall homered in the ninth to tie the game in Baltimore.

The Red Sox took a 3-0 lead in the second inning with the help of two Yankee errors and three hits off Dave Eiland.

Barfield first homered with one out in the bottom of the fifth. Then with two outs in the seventh he hit a drive far over the left-field wall.

Don Mattingly, who doubled in the first, jammed the little finger on his right hand sliding into second and left the game after flying out in the fourth. Team officials said his status is day-to-day.

Mets 3, Cubs 1: In a early National League game in Chicago, the Cubs' new manager, Jim Essian, lost for the first time in six games as Howard Johnson and Hubie Brooks homered for New York.

Essian took over for the fired Don Zimmer last Wednesday, and the Cubs won two games in New York before returning home to sweep a three-game weekend series from Montreal over the weekend.

Frank Viola beat the Cubs for only the second time in seven decisions against them, but he halted a two-game skid by the Mets. The losing pitcher, Greg Maddux, had had a five-game winning streak against New York.

Brooks hit Maddux's first pitch in the second inning out of Wrigley Field for his sixth homer.

The Cubs tied in the third on a double by Jerome Walton, a sacrifice by Maddux and a bunt single Shawon Dunston.

But Johnson, who was stranded after a two-out triple in the fourth, hit his 11th homer with one out in the seventh to break the tie.

The Mets added a run in the eighth on singles by Vince Coleman and Gregg Jefferies, a sacrifice by Dave Magadan, an intentional walk to Brooks and Johnson's sacrifice fly.

Maddux left in the eighth after allowing seven hits, walking four and striking out four. Viola departed after allowing six hits in 7⅓ innings.

■ *In Sunday's late games, The Associated Press reported:*

Yankees 2, Orioles 1: Rookie Pat Kelly doubled home the tie-breaking run in the 11th in Baltimore as New York completed its first sweep of the Orioles since 1988.

Athletics 6, White Sox 2: Dave Stewart, activated from the disabled list before the game in Oakland, started slowly but won for the first time in a month as he beat Chicago with the help of Dave Henderson's 11th homer, a two-run drive in the eighth.

Stewart walked the first batter he faced, and gave up a run on three singles in the first inning. But he did not allow another run and retired 23 of his final 26 batters in going eight innings. He gave up seven hits, struck out four and walked two in his first game since *straining a muscle in his ribcage* against Baltimore on May 8.

Angels 6, Blue Jays 2: In Anaheim, California, Mark Langston won his fifth straight as Dave Winfield homered against Toronto and moved into 24th place on the all-time RBI list.

Langston pitched a five-hitter and matched the longest winning streak of his career, accomplished in 1986 with Seattle. He struck out eight and walked two in posting his third complete game this season.

Winfield doubled home a run in the third and hit a bases-empty homer, his sixth, in the fifth. His 384th homer in the majors gave him 1,541 RBIs and moved him past Willie Stargell.

Rangers 6, Mariners 4: Texas won its 13th straight on run-scoring singles by Gary Pettis and Brian Downing in the seventh in Seattle.

The Rangers' winning streak is the longest in the majors since Oakland won *14 in a row in* 1988.

Brewers 7, Indians 6: In Milwaukee, Greg Vaughn homered to lead off the home 10th and the Brewers, after blowing an early five-run lead, beat Cleveland.

Albert Belle hit a two-run homer and Mark Lewis singled in a run as Cleveland rallied for three runs in the eighth for a 6-5 lead. Robin Yount tied it in the Milwaukee eighth with his ninth homer.

Astros 13, Padres 3: In a National League game in Houston, Luis Gonzalez and Jeff Bagwell each homered and drove in three runs against San Diego as the Astros turned in their biggest offensive performance of the season.

BASEBALL ROUNDUP

Dragons Upset Monarchs, Gain WLAF Playoffs

The Associated Press

WEMBLEY, England — Scott Erney threw two touchdown passes Monday night to Demetrius Davis as the Barcelona Dragons upset the previously *undefeated London* Monarchs, 20-17, night to clinch the final playoff spot in the World League of American Football.

The Dragons, who finished the league's first season at 8-2, got a wildcard berth and will play in Birmingham, Alabama, next Saturday. Had the Dragons lost, the wildcard would have gone to the Frankfurt Galaxy, with a 7-3 record.

The Monarchs, 9-1, had already clinched the European Division title. They will play the New York-New Jersey Knights in East Rutherford, New Jersey, next Sunday.

A crowd of 50,835, the largest to attend a WLAF game at Wembley Stadium, turned out in hopes of seeing the Monarchs go undefeated and gave the club an average attendance of 40,481.

The Dragons, who led from start to finish, got a 10-0 lead thanks to London's punting game.

Adrian Jones blocked a punt by Greg Horne to set up a 22-yard field goal by Massimi Manca with 4:01 left in the first quarter.

On the next series, Horne flanked a punt that went only 9 yards and gave the Dragons the ball in good scoring position.

Three plays later, Erney hit Davis on a 28-yard touchdown pass. Davis was well covered by cornerback Corris Ervin but the 6-foot, 3-inch (1.9-meter) tight end reached over the defender to make the catch.

The Dragons made it 17-3 in the third quarter as Erney connected again with Davis for a 36-yard scoring play with 2:54 left in the period.

After Stan Gelbaugh's 41-yard pass play to Andre Riley took the ball to Barcelona's 1-yard line, Jeff Alexander scored on the next play and it was 17-10 with 14:57 left.

But Alexander fumbled on the Monarchs' next series, and the Dragons mounted what proved to be the winning drive from their 35 as Erney completed a series of short passes to set up a 20-yard field goal by Manca with 3:36 left.

Erney completed 16 of 29 passes for 210 yards, with Davis catching eight for 120 yards. Gelbaugh, who went in the game as the league's top-rated passer, was 20 of 39 for 288 yards.

Lawrent Reboura/The Associated Press

Jean-Loup Gautreau/Agence France-Presse

Andre Agassi, above, last year's runner-up in the French Open, had to go all out after coming within a game of falling two sets to none behind against Marc Rosset of Switzerland in the opening round. Agassi said he was "slightly shell-shocked" before he broke the rangy Rosset twice, winning 11 straight points in the process. Another American, young Jennifer Capriati, a semifinalist in her French Open debut last year, also saw defeat as well as the ball looming, left, as she had to struggle to overcome Katia Piccolini of Italy. Steffi Graf, hoping to regain the No. 1 world ranking from Monica Seles, had a tough opener, too. She had to outlast 16-year-old Magdelena Maleeva of Bulgaria in a slugfest that delighted the center court crowd.

Jacky Naegelen/Reuters

McEnroe Departs, Slowly, On a Rough Opening Day

By Nick Stout
International Herald Tribune

PARIS — John McEnroe and Andrei Cherkasov dueled into the twilight Monday on the Center Court of the Stade Roland Garros, and after 2 hours, 52 minutes, Cherkasov had won, 2-6, 6-4, 7-5, 7-6. But two other Americans popular in Paris, Andre Agassi and Jimmy Connors, kept themselves in the French Open for at least another round.

Cherkasov, 20, a Davis Cup star for the Soviet Union who would have been seeded here had Ivan Lendl or Jonas Svensson withdrawn before the draw instead of after, won every point in the tiebreaker.

"I wasn't expecting to do a lot in the tournament itself," McEnroe said "So it's not a tremendous surprise. But after having gone out and played, I feel like this is a match I could have won."

McEnroe, 32, said his objective was to get himself ready for Wimbledon and the Davis Cup series afterward.

"I felt that there were some good things to come out of the match," he said, "but the bottom line is that I lost."

Agassi, the losing men's finalist last year, returned to Paris with lavender as the dominant color of his costume. He has been here since Thursday, which must be a sort of a record for the 21-year-old from Las Vegas who had previously been loath to break his dubious habit of avoiding foreign soil until the last possible moment.

FRENCH OPEN

But because he was unable to win a match in his two previous tournaments — in Monte Carlo and Rome — Agassi appears to have realized that a little practice time might do him good.

"I've been making a consistent mistake in coming to Europe by showing up a day before," he conceded Monday after beating Mark Rosset of Switzerland, 3-6, 7-5, 6-4, 6-3. "I realized that I needed to give myself a few more days to prepare properly. Common sense should have told me that a long time ago."

Last year Agassi arrived at the Stade Roland Garros with a 1-1 record on clay. He was shaky at the outset but made his way to the final, where he was beaten by Andrés Gómez.

This spring Agassi entered three clay-court tournaments to prepare for Paris, but the only place he could win was in Barcelona, where he got as far as the quarterfinals. His clay-court record for 1991 is now 3-3, with six matches to go in Paris.

Agassi said he was dumbfounded by Rosset's spectacular serving in the early going, noting that the speed and angle of the serves made marks on the clay that looked "at least six inches long."

"It made Sampras's serve look like Chang's," Agassi said, evoking memories of the U.S. Open, he was overpowered by Pete Sampras in the final. Michael Chang is the diminutive American who once used an underhanded serve while winning this tournament in 1989.

Agassi's darkest moment Monday was when he was serving at 2-4, 15-40 in the second set. He had to fight off four break points before saving the game.

In the end, it was Rosset's spirit that was broken. The 20-year-old Swiss, who served 15 aces, began to miss on his first serves and to give away more and more points on errors.

"Nothing really changed except a few bounces that went my way," Agassi said. "I was a little shell-shocked to be honest. I felt like I was getting beat, and I didn't have many chances to hit a lot of balls. But late in the second set I started to get more of an opportunity to play my kind of tennis."

Connors, playing in his 12th French Open, advanced with a 6-3, 6-3, 7-5 triumph over Todd Witsken of the United States.

"I'm glad it was over when it was," Connors said. "A fourth and a fifth might have been ugly. I hit the ball pretty well for me."

Connors, who at 38 is the oldest player in the tournament, said he wanted to get *into* good enough shape that he could "still be a factor."

"I feel I can still play some decent enough tennis to get back into a certain position," he said. "At the end of the year I'll tell you what the position will be. My goal right now is to get back into the top 100."

Connors, who is also doing commentary here for American television, was asked how he would have described his match he had been an observer in the broadcast booth.

"I'd say the boy was awfully lucky to get out of there in three sets," he replied.

Emilio Sánchez, Sergi Bruguera, Guy Forget and Chang were among other seeds who won Monday. Brad Gilbert, seeded No. 16, was eliminated by Cedric Poiline of France. Stefan Edberg, Boris Becker and Sampras are to play Tuesday.

Steffi Graf, rebounding from a frustrating spring in which she lost *the No. 1 ranking to Monica* Seles, beat Magdalena Maleeva, 16, the youngest of the three Bulgarian Maleeva sisters, 6-3, 7-6 (8-6).

Graf, whose personal life had been troubled for months by press reports, eventually proved false, that her father had fathered an illegitimate child, said she had recovered from a depressing period in which she had considered quitting tennis and now was as enthusiastic as ever about playing.

"I'm a different person from what I was last year at this time," said Graf, who lost to Seles in the 1990 final. "I wasn't into the tournament then as much as I am now. I'm more eager, and I'm playing better than I was at this stage last year.

"I stopped telling myself that I had to come in to the net, or that I had to play my backhand like this or like that," she said. "I simply told myself to go back to my normal game."

Graf is seeded No. 2, behind Seles. In theory, she would play Mary Jo Fernandez in the semifinals.

Fernandez, seeded fourth, advanced with a 6-3, 6-0 victory over Barbara Romano of Italy. Seles and Gabriela Sabatini, seeded No. 3, are to play their first-round matches Tuesday.

Agassi, whose next opponent will be Petr Korda, 23, a Czechoslovak ranked No. 70, said he was slowly getting over his aversion to traveling. He said he plans to play at Wimbledon next month for the first time since 1987, and that he did not rule out remaining in Europe to practice on grass.

"There's no question that the older I get, the more I'm starting to appreciate getting to different places and seeing different things," he said. "Two years ago I hated art. Now I understand there are things to appreciate in art. But it doesn't mean I'm going to be a collector."

SIDELINES

Tyson-Ruddock Rematch Set Again

LAS VEGAS (AP) — A rematch between heavyweights Mike Tyson and Donovan (Razor) Ruddock is definitely on, according to Ruddock's promoter.

Murad Muhammad, who has been suspended by the Nevada State Athletic Commission, said Sunday he will have an appeal hearing before the commission but that, regardless of the outcome, the fight would go on as scheduled June 28.

The Mirage Hotel, site of the fight, will resume ticket sales Monday, said a spokesman.

NHL Trade for Kurri Falls Through

EDMONTON, Alberta (AP) — The Edmonton Oilers' general manager, Glen Sather, having failed to trade Jari Kurri, will protect him in Thursday's expansion draft to maintain the team's National Hockey League rights to the high scoring forward.

Sather said Kurri's salary demands were out of line, but the player's agent, Don Baizley, said Sather wanted too much in return for the Finnish winger.

Kurri, the second leading scorer in NHL playoff history behind former linemate Wayne Gretzky, said earlier from Helsinki that he wants to play again with Gretzky, now with the NHL's Los Angeles Kings, but that "whatever happens is good for me."

Bugno Wins 2d Stage of Giro d'Italia

SASSARI, Sardinia (Reuters) — Gianni Bugno of Italy, the 1990 champion, won Monday's second stage of the Giro d'Italia cycling race but failed to obtain the leader's pink jersey, which went to compatriot Franco Chioccioli.

Chioccioli, third in Sunday's prologue, finished second behind Bugno in the 127-kilometer stage from Olbia to Sassari to take the overall lead ahead of Bugno. Greg LeMond of the United States, the three-time winner of the Tour de France, came in 25th in Monday's race and Laurent Fignon of France finished 32d.

For the Record

The port of Southampton, England will host the start and finish of the next Whitbread around-the-world yacht race, in 1993-94, officials announced Monday. The race will begin in September and end about nine months and nearly 32,000 nautical miles later. *(AFP)*

Melvin Babbon, 35, a fan waiting at Greater Pittsburgh International Airport to welcome home the victorious Penguins, fell off a wall onto concrete early Sunday and died of head injuries. *(AP)*

Quotable

● Wide receiver Marvin Hargrove of the WLAF's Raleigh-Durham Skyhawks, on his team's 0-10 record: "But we've got great uniforms."

IAAF Partially Lifts Ban on Pretoria, May Delay Championships Deadline

The Associated Press

TOKYO — South African athletes are once again welcome at international track meets, but only in Africa, the sport's governing body announced Monday.

The International Amateur Athletic Federation decided to partially lift its ban on South Africans in *international competition* because of the gradual easing of apartheid, said the IAAF's president, Primo Nebiolo.

Nebiolo said the return of South Africans would be restricted at first to meets in Africa and to those in which only African athletes are competing.

A broader lifting of the ban could come after another IAAF delegation studies the "evolution of South Africa's political and sports situation" in late June, he said.

South Africa's membership in the IAAF was suspended in 1976 as part of international sanctions against apartheid, South Africa's policy of racial separation.

The IAAF's decision to allow South Africa's conditional return was made after the federation's 23-member council, meeting at a Tokyo hotel, heard a report from a fact-finding mission that visited South Africa earlier this month.

"Naturally, the most important condition is the abolishment of apartheid," Nebiolo said. "If talks are to continue, apartheid must finish."

The president of South Africa, F.W. de Klerk, has promised to repeal the remaining apartheid laws by the end of June. Pretoria recently met another IAAF condition by creating a unified, nonracial national athletic governing body.

Nebiolo refused to comment on whether South Africans would be eligible to compete in the World Championships set to begin Aug. 32 in Tokyo.

The deadline for entries to the World Championships is Aug. 14. But the IAAF's second delegation isn't scheduled to report on whether South Africa's membership should be restored until Aug. 19.

An earlier meeting of the IAAF could be called if deemed necessary, Nebiolo said. Japanese IAAF officials said they were prepared to move the deadline back, if necessary.

"It is a very delicate issue," said an IAAF official, who requested anonymity. "It is more political than sports, and you can't jump any steps."

Ballesteros End Long Wait With British PGA Playoff

The Associated Press

VIRGINIA WATER, England — Severiano Ballesteros lost a two-stroke lead Monday but birdied the 18th hole, then won the British PGA championship at the first playoff hole.

The Spaniard edged Colin Montgomerie of Scotland to post his first victory this year on the European Tour.

Montgomerie, 27, had birdied the 17th and 18th for a final round 67, then watched as Ballesteros hit a tee shot behind a tree at 17 and three-putted for a bogey six.

Next, Ballesteros chipped out of trouble for a birdie 4 at 18 to force a play-off, and his second shot at the first playoff hole won the title.

He hit a 5-iron shot 200 yards (180 meters) to within three feet (1 meter) of the pin while Montgomerie had to chip up from 30 feet off the green. That ball stopped six inches short, and Ballesteros rapped home his short putt.

"When I went to the playoff hole I was thinking I could not always lose," Ballesteros said. "I told myself I had to win sometime and I did."

Eamon Darcy of Ireland beat out Bernhard Langer of Germany for third place with a 67. Langer, who had trailed Ballesteros by two strokes starting the round, shot 70.

British Open titlist Nick Faldo of England missed a short putt at the 18th to finish with a 70 and shared fifth place with Jesper Parnevik of Sweden, who carded a 69.

● Tom Purtzer came from four strokes back, shooting 6-under-par 64, to win the Colonial golf tournament by three strokes, Reuters reported from Fort Worth, Texas.

Bob Lohr, the leader after three rounds, shot 71 and tied for second with Scott Hoch, who posted 66 on Sunday, and David Edwards, who bogeyed the last hole for a 68.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE	W	L	Pct.	GB
East Division				
Boston	24	17	.585	—
Toronto	25	19	.568	½
Detroit	22	20	.524	2½
Milwaukee	20	22	.476	4½
New York	17	23	.425	6½
Cleveland	15	25	.375	8½
Baltimore	13	27	.325	10½
West Division				
Texas	24	14	.632	—
Oakland	26	17	.605	½
California	24	19	.558	2½
Seattle	23	20	.535	3½
Chicago	19	21	.475	4
Minnesota	20	23	.465	6½
Kansas City	18	23	.439	7½

NATIONAL LEAGUE	W	L	Pct.	GB
East Division				
Pittsburgh	26	15	.634	—
St. Louis	24	18	.571	2½
New York	22	19	.537	4
Chicago	23	20	.535	4
Philadelphia	20	23	.465	7
Montreal	19	24	.442	8
West Division				
Los Angeles	24	18	.571	—
Atlanta	20	19	.513	2½
Cincinnati	21	20	.512	2½
San Diego	22	22	.500	3
Houston	17	25	.405	7
San Francisco	14	29	.326	10½

Sunday's Line Scores

AMERICAN LEAGUE						
Kansas City	310	100	000	—5	11	1
Minnesota	000	000	001	—1	8	1

Saberhagen and Mayne; Tapani, Willis (5), Bedrosian (8), Aguilera (9) and Harper. W—Saberhagen, 5-3. L—Tapani, 2-5. HR—Kansas City, McRae (4).

Boston	030	000	001	—4	13	0
Detroit	510	111	00x	—9	11	0

Klecker, Hesketh (2), Fossas (6) and Marzano; Ceruttl, M. Leiter (2), Gibson (7), and Tettleton. W—M. Leiter, 2-1. L—Klecker, 2-1. Sv—Gibson (5). HRs—Boston, Rivera (2). Detroit, Whitaker (5), Fielder (10), Deer (11), Tettleton (6).

New York	000	000	001	01—2	12	0
Baltimore	001	000	000	00—1	7	0

(11 innings)

Cary, Plunk (7), Howe (9), Habyan (10), Cadaret (11) and Nokes, Garen (9); Mesa, Olson (8), Flanagan (10) and Melvin. W—Habyan, 2-1. L—Flanagan, 1-3. Sv—Cadaret (1). HR—New York, Hall (5).

Toronto	001	100	000	—2	5	0
California	122	010	00x	—6	10	0

Wells, Timlin (3), Fraser (6), Dovley (8) and Borders; Langston and Parrish. W—Langston, 6-1. L—Wells, 5-4. HRs—Toronto, Williams (1). California, Goetti (7), Winfield (6).

Chicago	100	000	001	—2	10	1
Oakland	020	000	12x	—6	7	0

Fernandez, Patterson (7), Drahman (8) and Fisk; Stewart, Chitren (9), Klink (9) and Steinbach, Quirk (8). W—Stewart, 3-2. L—Fernandez, 2-4. Sv—Klink (2). HRs—D. Henderson (12), Chicago, Merullo (3).

Cleveland	000	002	030	0—6	10	0
Milwaukee	011	300	010	1—7	11	1

(10 innings)

Swindell, Hillegas (7), Orosco (8), Jones (9) and Skinner; Wegman, Lee (6), Holmes (6), Crim (8) and Demosey. W—Crim, 3-1. L—Jones, 1-4. HRs—Cleveland, Belle (9). Milwaukee, Yount (9), Vaughn (8).

Texas	000	210	200	—5	14	0
Seattle	001	021	000	—4	7	1

B. Witt, Bilker (7), Je. Russell (9) and Stanley; Krueger, Rice (5), Swift (7), Murphy (7) and Bradley. W—B. Witt, 3-3. L—Swift, 0-1. Sv—Je. Russell (11). HRs—Texas, Downing (6). Seattle, O'Brien (6).

NATIONAL LEAGUE

Philadelphia	000	000	011	—2	5	0
Pittsburgh	000	410	00x	—5	7	0

Grimsley, Ritchie (5), Akerfelds (8) and Lake, Fletcher (5); Smiley, Landrum (9) and Bradley. W—B. Witt, 3-3. L—Swift, 0-1. Sv—Je. Russell (11). HRs—Texas, Downing (6). Seattle, O'Brien (6).

NATIONAL LEAGUE

Philadelphia	000	000	011	—2	5	0
Pittsburgh	000	410	00x	—5	7	0

Grimsley, Ritchie (5), Akerfelds (8) and Lake, Fletcher (5); Smiley, Landrum (9) and Bradley. W—B. Witt, 3-3. L—Swift, 0-1. Sv—Je. Russell (11). HRs—Texas, Downing (6). Seattle, O'Brien (6).

New York	300	100	000	—4	8	2

Olivares, Carpenter (6), Agosto (8), L. Smith (9) and Pagnozzi; Gooden, Pena (7), Schourek (7) and O'Brien, Sasser (8). W—Carpenter, 5-1. L—Gooden, 5-4. HR—New York, Elster (3).

San Francisco	001	105	021	—10	15	1
Atlanta	002	000	112	— 6	12	4

Black, Garrelts (8) and Decker; Leibrandt, St. Claire (6), Parrett (8), Stanton (9) and Heath. W—Black, 5-4. L—Leibrandt, 3-4. HR—San Francisco, Bass (4).

San Diego	100	001	010	— 3	6	0
Houston	121	304	20x	—13	14	1

Whitson, Gardner (4), M. Maddux (4), Rosenberg (6), D. Jackson (7) and Lampkin; Portugal, Klie (8) and Nichols. W—Portugal, 5-1. L—Whitson, 3-5. HRs—Houston, Gonzalez (6), Bagwell (4).

Montreal	300	300	000	—6	11	2
Chicago	000	210	20x	—5	11	1

De. Martinez, Burke (7), Jones (7) and Hassey; Sutcliffe, Wilson (4), Lancaster (6), Assenmacher (8), Da. Smith (9) and Villanueva. W—Lancaster, 2-1. L—Burke, 3-2. Sv—Da. Smith (11). HR—Chicago, Bell (10).

TENNIS

French Open

MEN'S FIRST ROUND

Sergi Bruguera (5), Spain, def. Scott Davis, U.S., 6-2, 6-2, 6-1; Francisco Clavet, Spain, def. Kelly Evernden, New Zealand, 6-4, 6-0; Michael Chang (10), U.S., def. Jan Siemerink, Netherlands, 6-2, 6-0, 6-3; Marcelo Filippini, Uruguay, def. Richard Fromberg, Australia, 6-4, 3-6, 6-1, 6-2; Dinu Pescariu, Romania, def. Felipe Rivera, Chile, 5-7, 7-5, 6-0, 4-0, ret.; Jimmy Arias, U.S., def. Pedro Rebolledo, Chile, 6-0, 3-6, 6-0, 6-2; Christian Miniussi, Argentina, def. Juan Carlos Baguena, Spain, 6-4, 3-6, 2-6, 6-3, 6-3; Peter Lundgren, Sweden, def. Alexander Volkov, Soviet Union, 6-3, 7-6 (7-4), 6-7 (3-7), 7-5; Olivier Delaitre, France, def. Guillermo Perez-Roldan, Argentina, 6-3, 6-1, 6-1; Andre Agassi (4), U.S., def. Marc Rosset, Switzerland, 3-6, 7-5, 6-4, 6-3; Patrick Kuhnen, Germany, def. Guillaume Raoux, France, 4-6, 6-2, 6-4, 6-4; Emilio Sanchez (11), Spain, def. Anders Jarryd, Sweden, 6-2, 6-3, 6-2; Marcos Ondruska, South Africa, def. Juan Aquilera, Spain, 2-6, 7-5, 6-3, 6-2; Jason Stoltenberg, Australia, def. Olivier Soules, France, 6-2, 7-6 (7-5), 7-5; Lars Jonsson, Sweden, def. Horacio de la Pena, Argentina, 7-6 (7-5), 6-3, 2-0, ret.; Jaime Yzaga, Peru, def. Thierry Tulasne, France, 6-1, 4-6, 6-4, 6-2; Guy Forget (7), France, def. Malivai Washington, U.S., 7-5, 2-6, 7-5, 1-6, 7-5; Carlos Costa, Spain, def. Jacco Eltingh, Netherlands, 6-2, 6-3, 6-3; Ronald Agenor, Haiti, def. Shuzo Matsuoka, Japan, 6-2, 6-3, 6-7 (4-7), 6-3; Petr Korda, Czechoslovakia, def. Jean-Philippe Fleurian, France, 4-6, 6-4, 6-2, 6-4; Veli Paloheimo, Finland, def. Jeff Tarango, U.S., 6-2, 6-2, 6-1; Cedric Pioline, France, def. Brad Gilbert (16), U.S., 6-4, 2-6, 6-1, 6-4; Patrick McEnroe, U.S., def. Gilad Bloom, Israel, 7-5, 6-4, 7-6 (7-5); Jakob Hlasek, Switzerland, def. David Pate, U.S., 6-4, 6-1, 7-5;

Omar Camporese, Italy, def. Udo Riglewski, Germany, 6-4, 6-2, 6-2; Richard Krajicek, Netherlands, def. Jose Francisco Altur, Spain, 6-0, 6-4, 6-1; Michael Stich (12), Germany, def. Brad Pearce, U.S., 6-3, 6-3, 7-5; Jimmy Connors, U.S., def. Todd Witsken, U.S., 6-3, 6-3, 7-5;

Andrei Chesnokov, Soviet Union, def. Mark Koevermans, Netherlands, 7-5, 6-2, 6-7 (4-7), 2-6, 6-3; Pat Cash, Australia, def. Sandor Noszaly, Hungary, 6-4, 7-6 (7-2), 6-3; Tarik Benhabiles, France, def. Jim Grabb, U.S., 4-6, 6-4, 6-4, 6-2, 6-3; Andrei Cherkasov, Soviet Union, def. John McEnroe (15), U.S., 2-6, 6-4, 7-5, 7-6 (7-0).

WOMEN'S FIRST ROUND

Veronika Martinek, Germany, def. Claudia Porwik, Germany, 6-1, 6-0; Anke Huber (16), Germany, def. Laura Gorrone, Italy, 6-2, 6-3; Petra Thoren, Finland, def. Monique Javer, Britain, 6-2, 6-2; Larisa Savchenko, Soviet Union, def. Nathalie Herreman, France, 6-1, 6-4; Jennifer Capriati (10), U.S., def. Katia Piccolini, Italy, 6-2, 7-5; Natalia Zvereva (15), Soviet Union, def. Donna Faber, U.S., 6-0, 6-0;

Nastie Van Lottum, France, def. Elena Pampoulova, Bulgaria, 6-4, 2-6, 6-3; Catherine Suire, France, def. Pascale Peradis, France, 6-2, 6-3; Kathy Rinaldi, U.S., def. Leona Laskova, Czechoslovakia, 6-2, 6-3; Ann Grossman, U.S., def. Laura Golarsa, Italy, 7-5, 6-0;

Gisi Fernandez, U.S., def. Tomoka Takagi, Japan, 7-6 (7-4), 6-2; Julie Halard, France, def. Karina Habsudova, Czechoslovakia, 6-4, 7-5; Laura Gildemeister, Peru, def. Samantha Smith, Britain, 6-3, 2-6, 6-1; Linda Harvey-Wild, U.S., def. Natalia Boudone, Italy, 6-4, 7-5; Sabine Hack, Germany, def. Jo Durie, Britain, 6-4, 7-5; Steffi Graf (2), Germany, def. Magdelena Maleeva, Bulgaria, 6-3, 7-6 (8-6); Shaun Stafford, U.S., def. Catherine Tanvier, France, 6-2, 6-1; Andrea Temesvari, Hungary, def. Nana Miyagi, Japan, 6-1, 6-3;

Federica Bonsignori, Italy, def. Nathalie Herreman, France, 6-3, 6-4; Akiko Kijimuta, Japan, def. Maria Strandlund, Sweden, 6-0, 6-4; Florencia Labat, Argentina, def. Stephanie Rottier, Netherlands, 1-6, 7-5, 6-1; Mary Pierce, France, def. Cecilia Dahlman, Sweden, 7-6 (7-1), 6-0; Mayo Kidowaki, Japan, def. Brenda Schultz, Netherlands, 6-4, 6-4;

Sandra Cecchini, Italy, def. Isabel Cueto, Germany, 6-3, 3-6, 7-5; Tami Whitlinger, U.S., def. Erika De Lone, U.S., 6-1, 7-6 (9-7); Carrie Cunningham, U.S., def. Stacey Martin, U.S., 6-2, 6-2; Mary-Joe Fernandez (4), U.S., def. Francesca Romano, Italy, 6-3, 6-0; Debbie Graham, U.S., def. Beate Reinstadler, Austria, 6-1, 7-5; Petra Langrova, Czechoslovakia, def. Sandrine Testud, France, 6-2, 0-6, 9-7;

Patricia Hy, Canada, def. Catherine Mothes, France, 6-2, 6-2; Katerina Maleeva (11), Bulgaria, def. Michelle Jaggard, Australia, 6-3, 6-4; Sybile Niax-Chateau, France, def. Isabelle Demongeot, France, 6-4, 6-4.

TRANSACTIONS

BASEBALL

American League

MINNESOTA—Optioned Paul Coslon, pitcher, to Portland, Pacific Coast League. Recalled Paul Abbott, pitcher, from Portland.

OAKLAND—Optioned Dana Allison, pitcher, to Tacoma, PCL.

SEATTLE—Bought contract of Rich Amaral, infielder, from Calgary, PCL. Optioned Jeff Schaefer, shortstop, to Calgary.

TEXAS—Bought contracts of Joe Bitker and Eric Nolte, pitchers, from Oklahoma City, American Association. Put Scott Chiamparino, pitcher, on 15-day disabled list. Designated Jim Poole, pitcher, for assignment.

National League

ATLANTA—Put Deus Sisk, pitcher, on 15-day disabled list. Called up Randy St. Clair, pitcher, from Richmond, IL.

CINCINNATI—Put Norm Charlton, pitcher, on 15-day disabled list. Called up Kip Gross, pitcher, from Nashville, AA.

BASKETBALL

NBA Playoffs

CONFERENCE FINALS
(Best-of-Seven)
WESTERN CONFERENCE
(Los Angeles leads series, 3-1)

Portland	23	27	29	26—	95
L.A. Lakers	32	38	31	23—	114

Portland: Kersey 10-17 5-5 25, Williams 4-7 2-3 10, Duckworth 2-4 3-4 7, Drexler 6-16 2-2 14, Porter 4-10 2-2 10, Robinson 1-7 0-0 2, Ainge 0-2 0-0 0, Davis 7-14 6-8 14, Bryant 3-5 1-2 7, Cooper 1-2 0-0 2, Young 1-3 0-0 2, Abdelnaby 1-3 0-0 2. Totals 40-90 15-18 95.

Los Angeles: Perkins 5-7 1-2 12, Worthy 8-18 0-0 18, Divac 7-12 6-7 20, Johnson 8-15 4-5 22, Scott 6-8 1-2 13, Green 5-11 6-6 16, Teagle 3-12 3-3 9, Drew 2-4 0-0 4, Campbell 0-0 0-0 0, Thompson 0-0 0-0 0, Smith 1-3 0-0 2. Totals 46-90 21-25 116.

3-Point goals—Portland 8-5 (Porter 0-2, Drexler 0-1, Davis 8-1, Robinson 0-1), Los Angeles 3-11 (Johnson 2-6, Perkins 1-1, Worthy 0-2, Scott 0-2). Fouled out—None. Rebounds—Portland 49 (Williams, Drexler 8), Los Angeles 52 (Johnson 9). Assists—Portland 29 (Porter 10), Los Angeles 23 (Johnson 9). Total fouls—Portland 21, Los Angeles 19. Technical—Portland, illegal defense.

CRICKET

ONE-DAY INTERNATIONAL
West Indies vs. England, Third Day
Monday, in London
West Indies innings: 264-9 (55 overs)

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ART BUCHWALD

Picking the Pack

WASHINGTON — More and more news organizations in this country are resorting to pack journalism. Coach Elias Doberman is in charge of the pack journalism team at the Rigormortis University School of Communications.

"There is more of it now than ever before, yet very few schools offer it as a course," he told me as we watched his team getting in shape.

Buchwald

"You seem to emphasize physical fitness," I said.

"We have to," he replied. "Pack journalism is a physical sport, and it's everybody for himself. When these people go out into the real world they are going to have to fight for every bit of news they can get. The first thing I want them to learn is that covering a trial, a divorce or a scandal is a physical sport."

□

Doberman yelled to the journalism students, "HOW HUNGRY ARE YOU?"

They yelled back, "UGAH, UGAH, UGAH."

There was a twinkle in the coach's eye. "When they leave here they'll know how to climb into someone's bedroom with their eyes closed."

"I wish I could try out for the team," I admitted.

"It's a young person's game. Most of the pack journalists will burn out before they reach 35."

"What happens to them then?"

"They become editors and bore everybody by talking about their days as reporters."

□

"How do you train a pack journalist?"

"It's very important for them to decide what they're going for. A TV cameraman's job is to smash anyone in the head who tries to get in the way of his shot. Radio people have only one goal in mind, and that is to knock the victim's teeth out with their microphones.

"The print reporters are usually in the backfield and have to fight their way to the front so that they can shove a tape recorder down the victim's throat. All of them working together make up what we call in this country 'the wolves.'"

"But despite their different positions, the main role of pack journalists seems to be to keep the allegedly accused from getting into his car."

"Exactly," said Doberman. "Journalists are sworn not to allow anyone to go past them without a statement that will make the evening news."

"YOU GUYS OUT THERE. YOU'RE NOT PUNCHING THAT BAG VERY HARD," Doberman shouted.

"You teach punching?" I asked.

"Of course. You can't be a pack journalist unless you know how to use your hands."

"Against another person?"

"No, against the victim's car. When the accused is pulling away from the curb, the only thing left to do is bang on his car with your fists."

"Is it my imagination, or are there more pack journalists today than in the past?"

"It's not your imagination. Everyone is budget-cutting, and it's cheaper for a newspaper to send a reporter out with the pack than on his own."

Doberman screamed to the people on the field, "SHOW ME WHAT DO PACK JOURNALISTS DO!"

They all fell down and started to eat the grass.

Sting Awarded Ecology Prize

Agence France-Presse

ROME — The Italian ecological foundation CerviaAmbiente has awarded its annual prize to the British rock star Sting for his contribution to human rights and environmental protection.

The organization, which has its headquarters in Ravenna, also cited Maria Teresa Rubin de Cervin, who is in charge of UNESCO's bureau to safeguard Venice. She has spent the past 18 years fund-raising to preserve the city's cultural and architectural heritage.

The prize will be presented on Saturday. Former winners include the German anthropologist Konrad Lorenz, the French oceanographer Jacques Cousteau, and the French politician Simone Veil.

Washington Plots Thicken With Politics

By Barbara Gamarekian
New York Times Service

Marilynn K. Yee, The New York Times; James K. W. Atherton/The Washington Post; James A. Parcell/The Washington Post

Washington authors: John W. Buckley Jr.; Senators William S. Cohen and George J. Mitchell; budding writer Marilyn Quayle.

WASHINGTON — "Politics is a life of artifice. You become, through press releases and self-promotion, a figment of the public's imagination. A man of conviction, principle, strength. The successful legislator, one who makes the Washington establishment take note and yet does not forget his roots."

Those are musings of a fictional character, Senator Sean Falcone, and are among the candid assessments about political Washington in a new novel by one of the capital's most prolific writers, the Republican senator from Maine, William S. Cohen.

His latest thriller, "One-Eye Kings," which was published this month by Doubleday, includes all the major ingredients of a good read: an assassinated senator, a beautiful Mossad agent, sexual liaisons, intrigue in the White House and the Kremlin, and dastardly deeds all around.

It is a world that Cohen knows well, having served on both the Senate Intelligence Committee and Armed Services Committee. Cohen's detailed descriptions of covert programs and security arcana lend his novel the ring of truth.

Aspects of the plot were triggered by the Iran-contra affair, Cohen said, but the machinations were of his own creation. "It obviously springs from my own experience," he said. "But there is nothing in the book that deals with existing programs."

Cohen has written two volumes of poetry and has co-written an espionage novel, "The Double Man," with former Senator Gary Hart, along with a book on the Iran-contra hearings with his fellow senator from Maine, George J. Mitchell.

Although Cohen said his latest venture was "fiction, pure fiction," he added with a smile, "I have three colleagues who think the book is about them."

Cohen is just one of Washington's insiders whose power base helps to feed their muse. Although memoirs are Washington's stock in trade, some choose to tell their tales through fiction.

"The experiences I had working in politics have taken me literally from the Oval Office to Mrs. Thatcher's sitting room at No. 10 Downing Street, all settings a novelist would pay money to have access to," said John W. Buckley Jr., who was President Ronald Reagan's press secretary in the 1984 re-election campaign and Jack F. Kemp's press secretary in Congress.

His novel "Statute of Limitations" centers on a White House speech writer who is blackmailed into smuggling drugs on Air Force One. "If you work in politics and have a novelistic eye and, more importantly, a novelistic ear," Buckley said, "there is a wealth of material that begs you to write about it."

Marilyn Quayle has discovered this as well. She and Nancy Northcott, her sister, have been working on a novel to be published in early 1992 by Crown. The book is at the rewriting stage, said Bob Barnett, a Washington lawyer and Quayle's literary agent. At a recent luncheon at the vice presidential mansion, Quayle told Barnett that her sister was "upstairs, hard at work."

Quayle said she preferred not to discuss the book because to do so would be premature, but it is a tale about the last battle between the superpowers, with the focus on Cuba, Barnett said. President Fidel Castro reportedly dies in the first chapter.

Marilyn Sharp, the author of three spy novels with Washington backdrops, in one book planned to knock off a secret ex-Nazi in the men's bathroom at the White House. So she dispatched her husband, Representative Philip R. Sharp, Democrat of Indiana, for a bit of legwork. "He came out and said, 'It's white,' and I told him I needed more than that and sent him back in. He was much better on his second assignment: He gave me a wonderfully detailed description about Air Force One after a trip back to Indiana with President Carter."

Sharp is working on her fourth novel, which is set in Washington and the Soviet Union. Her first novel, "Sunflower," about the kidnapping of a president, sold for $500,000 for the American paperback rights.

"I think people are intrigued by the power that resides here," she said of Washington. "What originally interested me about writing spy novels was the secrecy of the CIA, the KGB, the FBI. It is such an easy arena for abuse, and I like to conjure up things that can happen when people operating in secrecy get out of control."

Lynne V. Cheney, the chairwoman of the National Endowment for the Humanities, has written two novels and a nonfiction book about Capitol Hill with her husband, Secretary of Defense Dick Cheney. Of writing a political novel, she said, "Reality overtakes you, and the reality is so interesting that if you try to make fiction keep up with reality, then the novel starts to seem strained."

One way to handle this, she suggested, is through satire. "The Body Politic," a novel that Mrs. Cheney wrote with Vic Gold, a former speech writer for President George Bush and that Orion Films has bought, satirizes the political scene with a tale of a vice president who dies without anybody noticing.

William D. Pease, a former assistant U. S. attorney in Washington, wrote "Playing the Dozens," a novel about political corruption in the District of Columbia, which was published by Viking in September. He has a contract for a second novel.

A number of Washington journalists have also turned to fiction. David Wise, a former reporter for The New York Herald Tribune who has written extensively about the CIA, has produced three novels whose plots were inspired by events at the agency.

The former Washington Post reporter Sally Quinn, who wrote "Regrets Only," a roman à clef about life in Washington, has written another novel, to be published in the fall.

Former CIA employees must have all their published books cleared by the agency, even their novels, said William Hood, who was an official at the agency for 30 years. "I've never had any trouble," said Hood, whose latest novel, "Sunday Spy," is to be published by W. W. Norton.

Patrick Anderson, who has written eight novels, a number of which are set in Washington, served in the Kennedy Justice Department and wrote speeches for President Jimmy Carter.

Washington insiders, he said, "tend to write about process, which is what they know, rather than about people, which is what fiction is about."

"That's why you have a lot of bad Washington novels," he said.

Catherine Mann, who was a television reporter on "Entertainment Tonight" before marrying Representative Fred Grandy, Republican of Iowa, has used both Washington and Hollywood for her three novels.

"Washington is a marvelous backdrop and in many ways similar to Hollywood, but with higher ceilings," she said. "They are both company towns and the characters are very similar, except that in Hollywood they wear open shirts and flashy jumpsuits."

Her new novel, "Capitol Hill," is to be published in September by Dell. Its main characters are two women who live on the Hill. "There's enough skulduggery to go around," Mann said.

PEOPLE

For the Love of Nature, Kubrick Turns to Video

Stanley Kubrick has made a film that won't be seen by a wide audience. Kubrick, whose directing accomplishments include "A Clockwork Orange" and "2001: A Space Odyssey," lives at Childwickbury Mansion northwest of London. He is reported to be furious about the destruction of a large number of trees on the border of his property, so he made a video of the tree-felling. The trees were protected by a government preservation order, and a case has been brought against Kubrick's neighbor, John Wood, by the St. Albans District Council, which charges that he did not get the necessary permission to destroy the trees. Roger Osbourne, a district council spokesman, said Kubrick had offered the video but that the council had not taken him up on it. Wood has denied the charges.

□

A Brazilian dancer says he is suing Rudolf Nureyev, alleging that the dancer and choreographer had kicked him in the behind and caused injuries that kept him in hospital for three days. Celso De Almeyda said the assault took place during a dress rehearsal for the world premiere Saturday of "Death in Venice" at the Verona Lyric Theater ballet in Italy. "We were just the two of us on stage," De Almeyda said, "when I heard him murmur something that sounded like, 'Fast.' Maybe he meant I was dancing too fast. He looked me in the eye and then kicked me hard in the behind."

□

A New York City traffic officer has sued Katharine Hepburn for $4.6 million, charging that the 81-year-old actress assaulted her and called her a pig when she tried to ticket a car double-parked outside Hepburn's home last year. The traffic officer, Angie Hopkins, charged that the actress and the director Anthony Harvey, named as co-defendant in the suit, "assaulted, battered and laid hold of" her. Hepburn acknowledged that she and Hopkins had exchanged angry words.

□

The actor Richard Pryor, 50, has suffered from multiple sclerosis for five years, his spokesman, Guy McElwaine, was quoted as telling The Associated Press. He said the disease was in remission and is not life-threatening.

Pakistan's Economic Reforms

See today's special advertising section on page 8.

Herald Tribune

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